City of
Saskatoon

2007 ANNUAL REPORT

Saskatoon Saskatchewan Canada - Year Ended December 31, 2007

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City of Saskatoon

City of Saskatoon 2007 Annual Report
Year Ended December 31, 2007
Saskatoon Saskatchewan Canada

Prepared and produced by
City of Saskatoon
Comptroller's Branch and
Communications Branch

Presented to City Council June 9, 2008

Letter of Transmittal

City of
Saskatoon

May 30, 2008

His Worship, the Mayor
And Members of City Council

I am pleased to submit the City of Saskatoon's Annual Financial Report for the year ended December 31, 2007. The Annual Financial Report is submitted pursuant to Section 155 of The Cities Act. The financial report includes consolidated financial statements for the City of Saskatoon reporting entity as required by the Public Sector Accounting Standards Board (PSAB).

The purpose of this report is to provide financial, statistical and other information about the City of Saskatoon and related entities to allow readers to gain an understanding of the City and the resources available to the City.

The Annual Financial Report consists of the following sections:

- The introduction familiarizes readers with the political and organizational structure of the City, reviews the City's accomplishments over the past year, and describes the nature and scope of the services provided by the City.
- The Financial Section includes the Consolidated Financial Statements
- The Financial Statement Discussion and the Statistical Section provides additional explanation and trend analysis to provide a broader understanding of the financial statements.

The preparation and presentation of the financial statements and related information contained in this report is the responsibility of management of the City of Saskatoon. The statements have been prepared on a basis consistent with the recommendations of PSAB. Included in the consolidated financial statements are those entities that are accountable to and owned or controlled by the City of Saskatoon. These entities include: the Saskatoon Public Library, Saskatoon Police Service, Saskatchewan Place Inc (operating as Credit Union Centre), Saskatoon Centennial Auditorium (operating as TCU Place), and the Mendel Art Gallery.

City Council appointed the accounting firm of Deloitte & Touche, LLP to perform an independent audit of the City's 2007 financial statements, and their report is included herein. The accuracy and reliability of the financial information is ensured by the City's system of internal controls. The Audit Committee reviews the external auditor's plan, and ensures corrective action is taken for weaknesses identified in the City's internal control system. An internal audit function through the services of Robert Prosser and Associates Inc. also reports to the Audit Committee ensuring internal controls and procedures are in place and adhered to through a series of internal audits and reviews.

As noted, the consolidated financial statements include information on the City's financial position and operating results, along with those of several related entities. The City's operations are typically segmented (General Operating, General Capital, Utility Operating and Capital) for budgeting and reporting purposes. For the purpose of the consolidated financial statements, the financial position and results of all the segments are brought together.

The attached financial statements reveal that the City ended the year with an operational deficit of $1,432,000. The primary reasons for this deficit relate to the increased expenditures required in the snow and ice program due to the significant snowfall during 2007, as well as an increase in the Transit subsidy. The 2007 deficit is offset from the City's Revenue Stabilization Reserve.

The City's 2007 capital program included planned expenditures of $214,412,000. These expenditures were financed from reserves, development levies, contributions from developers, Federal and Provincial grants, gas tax revenues from the Federal Government and borrowing.

The City continues to receive positive reviews from Standard and Poor's (S&P) which reconfirmed the City's AAA rating.

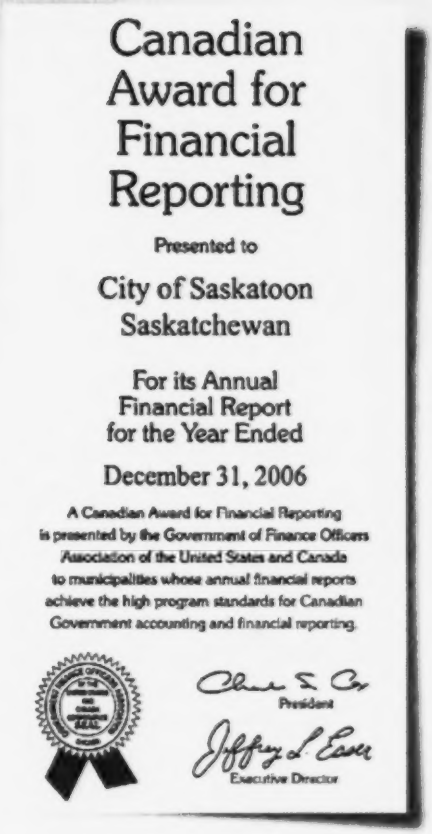
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to The City of Saskatoon for its annual financial report for the fiscal year ended December 31, 2006. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

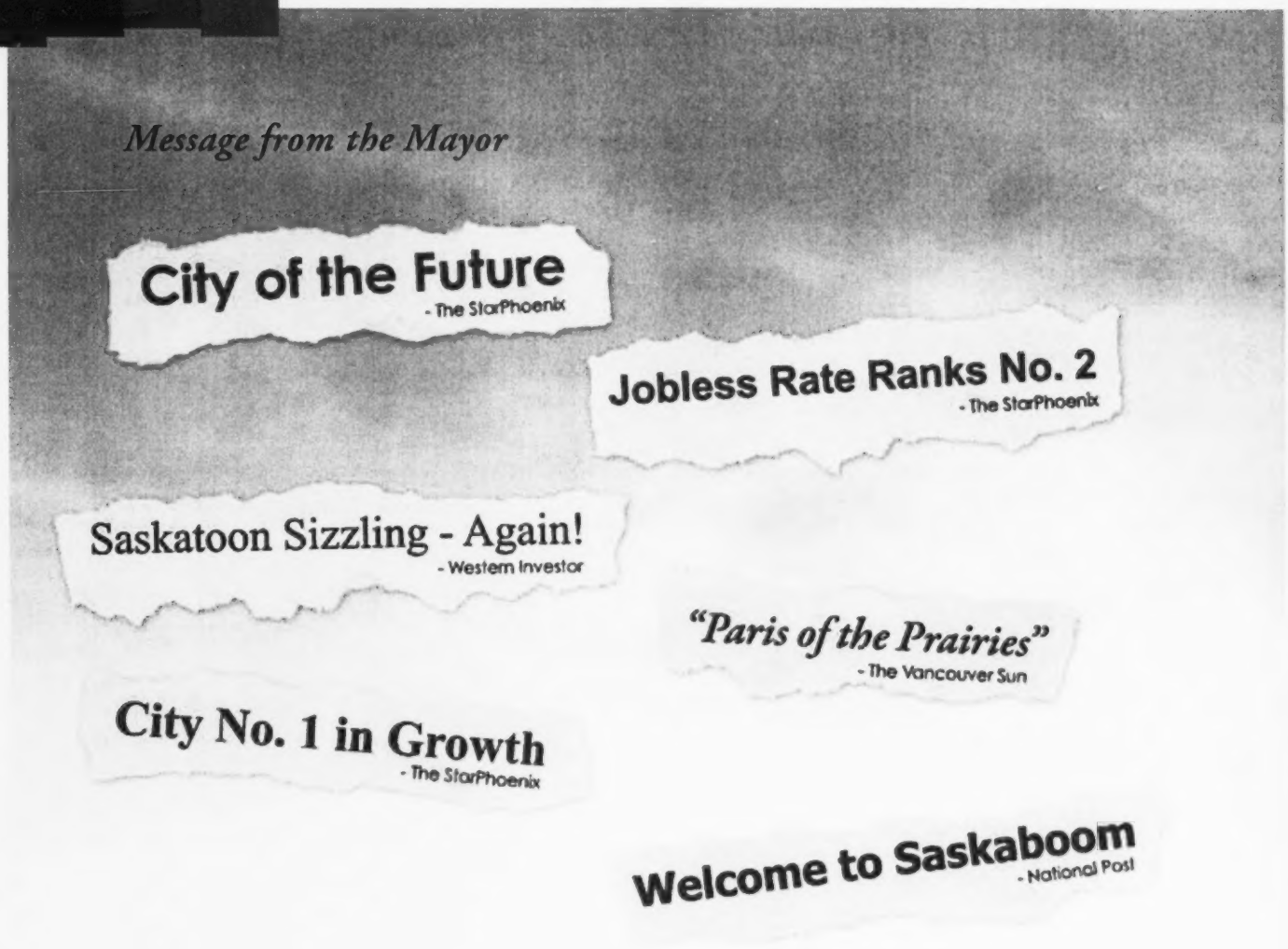
A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.

Respectfully submitted,

Marlys Bilanski, CMA, FCMA
General Manager, Corporate Services


Canadian Award for Financial Reporting
Presented to
City of Saskatoon
Saskatchewan
For its Annual Financial Report for the Year Ended
December 31, 2006
A Canadian Award for Financial Reporting is presented by the Government of Finance Officers Association of the United States and Canada to municipalities whose annual financial reports achieve the high program standards for Canadian Government accounting and financial reporting.
President
Executive Director

Message from the Mayor

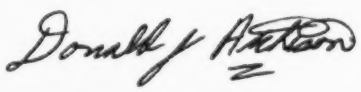


As I look back over the newspaper headlines for the past year, I am amazed at the growth and optimism that enveloped Saskatoon in 2007. Every day brought a new benchmark of success and prosperity.

In 2007, Saskatoon had a blazing hot economy, the real estate market kept climbing, job vacancies kept dropping, and our resource sector grew at a phenomenal rate.

We remained in the national spotlight when we hosted the hugely successful Juno Awards in March, and in September celebrated the 125th anniversary of the meeting of Saskatoon's two founding leaders Chief Whitecap and John Lake.

As 2008 shows no sign of slowing down, I anticipate that the daily headlines will be just as exciting. Saskatoon continues to have incredible stories, and I guarantee 2008 to be a great read!



Donald J. Atchison, Mayor

June 2008

City Council 2006-2009

City of Saskatoon

The City of Saskatoon is governed by an act of legislation of the Province of Saskatchewan known as The Cities Act. The Mayor is the Chief Executive Officer of the City.

Administrative powers and duties have been delegated to the City Manager who is appointed by City Council. The Council consists of the Mayor and ten Councillors, elected for a period of three years. Each Councillor represents a specific ward or area of the city.

Mayor Donald Atchison

Councillor Darren Hill
Ward 1

Councillor Pat Lorje
Ward 2

Councillor Maurice Neault
Ward 3

Councillor Myles Heidt
Ward 4

Councillor Gordon Wyant
Ward 5

Councillor Charlie Clark
Ward 6

Councillor Bob Pringle
Ward 7

Councillor Glen Penner
Ward 8

Councillor Tiffany Paulsen
Ward 9

Councillor Bev Dubois
Ward 10

Message from the City Manager

Phil Richards
City Manager

The Administration is pleased to present the 2007 Annual Report which highlights, in brief, the major civic-related events that occurred in the past year for each of the eleven core strategies identified in the City of Saskatoon Corporate Business Plan.

If 2006 was a record year, then 2007 was off the charts. Building permits went from $323 million in 2006 to $549 million, 5,900 new jobs were created, our municipal triple-A credit rating was renewed, and a bustle of activity and growth could be felt throughout Saskatoon.

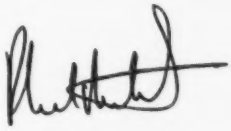
The jewel of the riverbank, River Landing, saw many milestones reached in 2007. A new developer was chosen for the Urban Village complex across the street from the newly-opened Persephone Theatre. The Farmers' Market moved into its permanent home and the Ideas Inc. business incubator opened its doors. Sod was turned on the Phase II riverfront park while on Phase I, construction began on the pavilion building, amphitheatre, and water play feature, all slated for opening in 2008.

The Circle Drive and Clarence Avenue overpass was completed, and the widened Circle Drive Bridge opened to motorists along with its innovative pedestrian bridge underneath the two bridge decks.

Finally, and after much hard work and public input, the City launched two major environmental initiatives with the goal to reduce emissions and the impact on the environment, both as a corporation and as a community.

This has been an exciting year for Saskatoon, with boundless potential for 2008 and beyond. Our challenge will be to keep pace with the prosperity, while continuing to deliver top-notch service to our citizens. Saskatoon's success is being noticed by the rest of the country and the world, and we won't disappoint them.

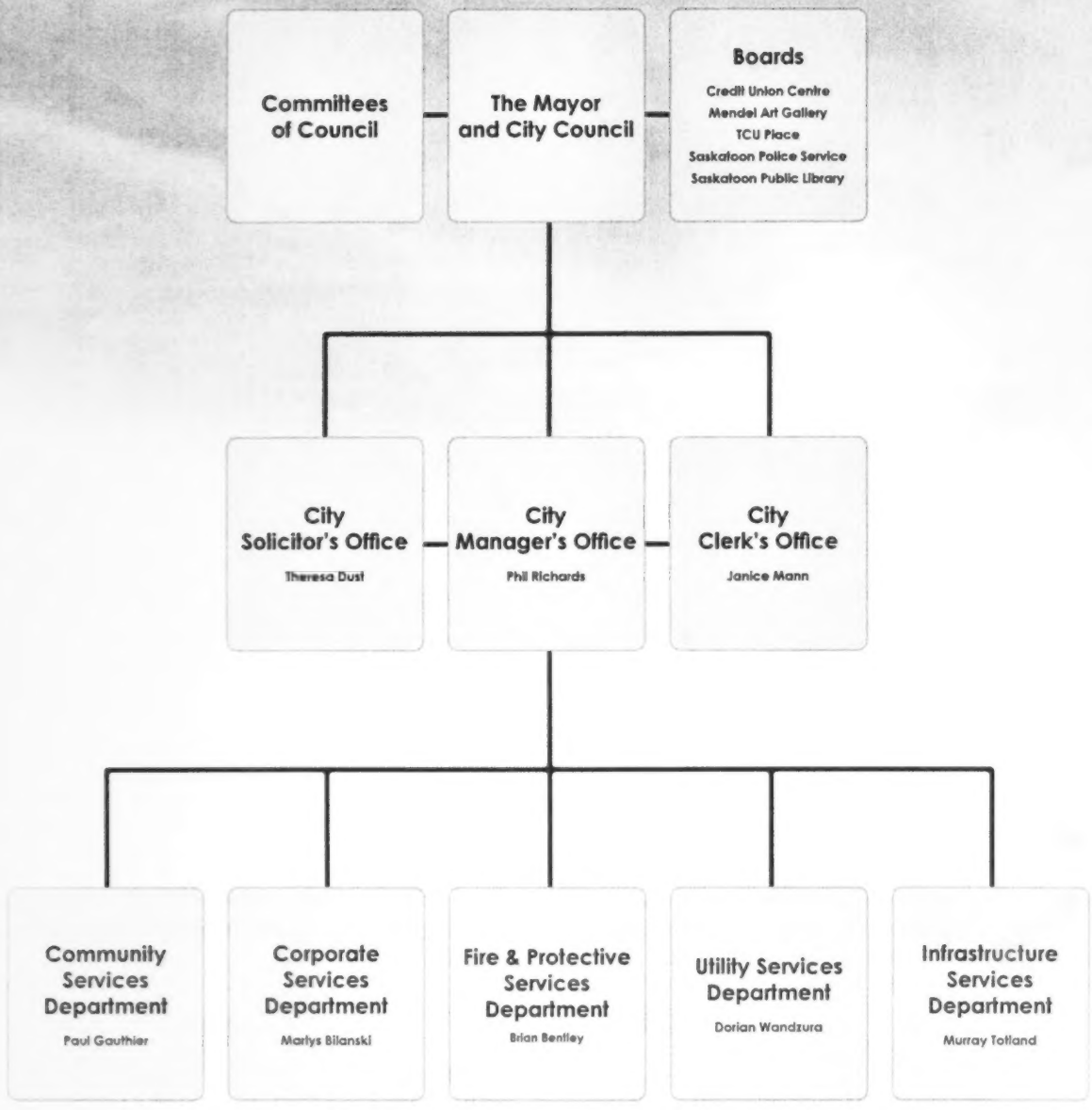
On behalf of the management and staff of the City of Saskatoon, we hope you enjoy our report.



Phil Richards, City Manager

June 2008

2007 City of Saskatoon Organizational Chart



Core Strategy: Economic Development

Create an environment that encourages economic development.

River Landing Phase I

Construction of the pavilion building, amphitheatre, and water play feature started in 2007 and will be completed in 2008. The street and partial streetscape for the 2nd Avenue extension was finished.

A nationwide call for proposals led to the successful submission by Lake Placid Inc. for a new "Urban Village" on River Landing. The approval process and construction of the project will begin in 2008.

River Landing Phase II

The Farmers' Market moved into River Landing in the spring and an official grand opening with Ideas Inc. business incubator was held in September 2007 in Market Square.

Construction on the riverfront began in the spring of 2007. Plans for the new Isinger Park were completed and construction will begin in 2008.

The renovated streetscape with Avenues A, B, C was completed in 2007. The 19th Street reconfiguration project was re-tendered in the fall, with construction to begin in 2008.

Balanced Civic Growth

In 2007, servicing of Blairmore Phase I was completed including water and sewer line installation, roadwork, servicing the high schools and the SmartCentres site. A pedestrian overpass was also opened, with roadwork in the institutional and multi-family areas to be completed in 2008.

The University Heights Sector Plan was adopted by City Council in December 2007. The plan will guide long-term development in northeast Saskatoon.

The Rosewood Concept Plan is in the final stages of administrative review following a successful public consultation. The plan will be considered by City Council in 2008.

Commercial/Industrial Space Database

The Business License Program was upgraded with the capability to provide current information on commercial, industrial, and institutional land use and floor space, as well as employment distribution for Saskatoon. These additions will facilitate more effective planning and accurate projections for both the public and private sectors.

North Downtown Redevelopment

Negotiations with C.N. and C.P. Railways continue on the extension of 25th Street from 1st Avenue to Idylwyld Drive. A consultant has been retained to work with the Railways and the City to develop a plan to be completed in early 2008.

The process to redesign and construct the downtown Transit terminal to LEED (Leadership in Energy and Environmental Design) certification began. Detailed project design will take place in the first quarter of 2008.

Major Regional Retail Centre

The Preston Crossing Phase III development was reviewed by Administration and approved by City Council.

The newly opened Market Square at the Farmers' Market, River Landing Phase II.

Installation of the Blairmore Suburban Centre pedestrian overpass.

Future Initiatives 2008-2010: Economic Development

River Landing

The approval process and construction of the proposed "Urban Village" project will begin. Plans to design and construct a riverfront feature building located next to the Traffic Bridge will begin with Request for Proposals starting in 2008. Construction on Isinger Park will be completed and marketing for River Landing residential and commercial properties will begin, including processes to lease the pavilion building.

The consultation and design process for a potential destination centre will also begin.

Streetscaping activities including Avenues A, B, and C between 19th and 20th Streets and the reconfiguration of 19th Street will be completed. The reconstruction of Saunders Road will begin in 2008.

Other Initiatives

Redevelopment of the North Downtown will continue with the installation of underground services on 25th Street, and the development of the downtown warehouse district beginning with marketing of the Arthur Cook Building and the potential relocation of the City yards.

The accelerated lot servicing program will continue in 2008.

Core Strategy: Service Delivery

Optimize the effective and efficient delivery of services.

New Civic Services

The City continued to explore alternative electrical generation opportunities, with the next steps of a wind power study to be designed and tendered in 2008, and electrical generation beginning in 2009. The City also continued to pursue opportunities to generate electricity from landfill gas and municipal solid waste. Landfill gas flaring (the process used to generate electricity) is expected to begin in 2008.

A new impound lot has been constructed and will be operational in early 2008.

Partnering to Provide Better Service

Universal Bus Pass (U-PASS)

In September the City and the University of Saskatchewan partnered to create a U-PASS for 14,000 undergraduate students. Student bus ridership rose 21.9% from September to December.

Discount Bus Pass Pilot and LeisureCard Program

A review of the discount bus pass pilot, which included a free LeisureCard for social assistance clients, was completed and received approval from City Council to continue in 2008. Council also expanded the LeisureCard program to include all Saskatoon residents who fall below the Stats Canada Low Income Cut-offs.

Aerial view of River Landing Phase I.

The City partnered with the Province on the discounted bus pass program, which will be continued in 2008. The City also provided LeisureCard passes as part of the program.

Integrated Facilities

The Willowgrove Community Centre – School Integrated Site project is moving forward through a partnership with Greater Saskatoon Catholic Schools, Saskatoon Public School Division, and Saskatchewan Learning. The Centre will be integrated with the new Saskatoon Public School Division elementary school planned for this neighbourhood. Site concept plans and consultation strategies were completed in 2007.

Housing

In 2007, the City's Housing Business Plan was updated, the focus of which is to create new initiatives and incentives to address supported ownership, rental, and entry level housing. This Plan set goals to meet City Council's new target of supplying 500 affordable dwellings per year, and addressed the priorities in the Community Plan for Homelessness and Housing. Achieving these goals will require partnerships with faith-based organizations, community organizations, the private sector, and other governments.

Graffiti Reduction

The Graffiti Task Force is working to respond to and clean up graffiti in all areas of Saskatoon. In 2007, graffiti was identified on 243 properties, 186 of those where Orders were written for compliance.

Adaptive Re-use Plans

Public consultations held in 2007 determined strong support to continue operations at the Harry Bailey Aquatic Centre. City Council agreed with the consultation results, but asked Administration to add new and expanded programming at the Centre.

City Council approved funding to conduct a study on Gordon Howe Bowl. The study will include a consultation process with current and potential facility users to help identify program requirements and create design options and associated costs.

Corporate-wide Service Enhancements

An internal civic Strategic Initiatives Committee was established and tasked to develop a process to explore and direct corporate-wide service enhancements.

Future Initiatives 2008-2010: Service Delivery

The City will research and evaluate numerous customer service strategies including:

- Evaluating public-private partnership alternatives for capital projects;
- Reviewing alternative business models for Storm Water Utility and Solid Waste Management;
- Partnering with the two school boards to develop environmental curriculum for Kindergarten to Grade 8 students;
- Pursuing public-private partnerships for housing projects;
- Continuing to work with other levels of government on the development of integrated facilities;
- Continuing expansion of BizPal;
- Developing adaptive re-use plans for Harry Bailey Aquatic Centre, Gordon Howe Bowl, and the current Police Service Facility; and
- Determining City Council delivery service level standards for roadways, sidewalks, water, and sewer.

In 2007, the City initiated its new Snow & Ice Program, with many components to improve service and mobility for residents. A temporary snow route parking ban helps keep parked vehicles off priority streets so crews can deal more efficiently with heavy snow fall. A new sidewalk clearing bylaw helps increase safety and mobility; all sidewalks must be cleared in 48 hours - with special recognition of Snow Angels who help clear their neighbour's walks.

Core Strategy: Customer Service

Customers come first - provide responsive and flexible customer service.

On-line Services

A number of services are being developed for the new civic website including: meter reading, parking ticket payments, parking permits, an interactive map, licenses, electronic viewing of utility bills, and building permits. Work is also underway to establish an electronic tendering process.

Saskatoon Transit Click & Go, an on-line interactive trip planning system, was launched as part of the new Transit route system in 2007.

Civic Service Ratings

Each year, the City conducts the Civic Services Survey designed to measure customer satisfaction on the delivery of civic services.

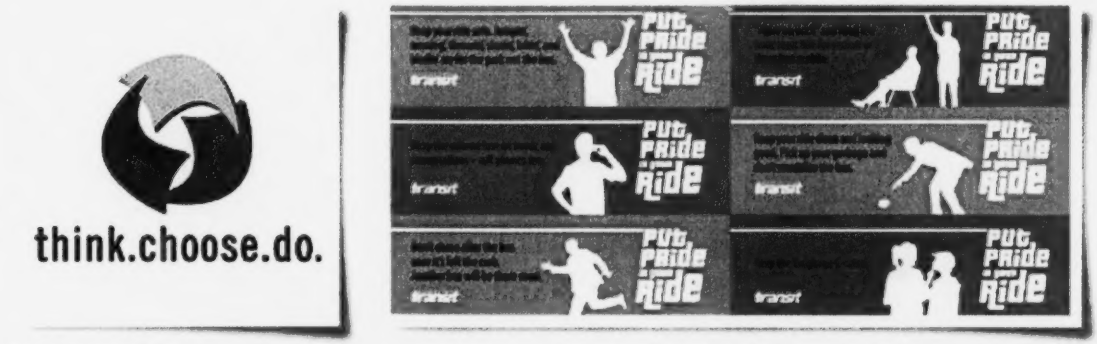
In 2007, the majority of residents (92%) rated the quality of life in Saskatoon as good or very good - this percentage was about the same in 2006. Ninety-three percent of residents reported they were either satisfied or very satisfied with civic services (an increase of 4% from 2006). Eighty-five percent of residents felt they had received good or very good value for their tax dollars - about the same as in 2006. Crime and policing were again the most important issues for residents at 19%, but this number decreased from 35% in 2006.

Environmental Programming

A branding (visual identity) for all environmental programming was completed, and will be launched in 2008. In addition, the new Saskatoon Waste and Recycling Plan and the Energy and Greenhouse Gas Management Plan were announced in 2007. Plans are underway to initiate additional environmental programming in 2008.

Future Initiatives 2008-2010: Customer Service

The City will launch a corporate accessibility program that includes the construction of three fully accessible playground units, and the development and implementation of action plans related to corporate accessibility. In addition, construction of a new education centre at Saskatoon Forestry Farm Park & Zoo will begin.



This new brand will be used on all the City's environmental programs to encourage people to think about their recycling and energy-use habits; to choose to live more sustainably; and to do something about climate change and waste reduction in our community.

To enhance the bus riding experience, Saskatoon Transit introduced the "Put Pride in Your Ride" bus etiquette campaign with fun and friendly reminders on all buses.

Core Strategy: Environmental Commitment

Exercise responsible, progressive environmental management in the provision of all civic services.

Responsible Waste Management

A number of initiatives are underway to maximize the life of the existing landfill beyond 25 years.

The conversion of back-lane to front-street garbage collection continued, with the Riversdale neighbourhood being converted in 2007. The conversion process will be accelerated across Saskatoon in 2008.

City Council approved the new Waste and Recycling Plan. An implementation strategy will be prepared in 2008.

A new compost depot was opened near the intersection of Highway 7 and 11th Street. The City's two compost depots (Highway 7 and the McOrmond Drive Depot) were opened seven days a week. This expansion resulted in a large increase in leaves and grass collected (from 6,407 bags in 2006 to 73,130 bags in 2007). The number of depot users also increased from 710 in 2006 to 5,655 in 2007.

The downtown recycling bin pilot project was reviewed and will be extended for another five years, with additional bin sites added. Over the past year, 7 tonnes or 7,140 kg of paper and 11,000 beverage containers were recycled through this project.

The City is also pursuing a partnership with Habitat for Humanity on the feasibility of a "re-store" concept at the landfill. Depending on available funding, this concept will be introduced in 2008.

A new landfill cell was added at the Regional Waste Management Centre.

Water and Wastewater Processes

Construction of a sludge handling facility at the Water Treatment Plant is near completion and is expected to be fully operational by the end of 2008. The City is also designing a new Water Treatment Plant intake. With the design stage nearing completion, the construction tender process will begin in spring 2008. Construction of the river crossing will be completed in the fall of 2008, with construction on the pumphouse to follow.

A contract was awarded for the construction of a grit handling facility at the Wastewater Treatment Plant. This project should be completed in 2008.

Environmental Management Programs

The City continued to pursue innovative environmental management programs, including the corporate-wide roll-out of an Environmental Management System by 2009.

The City reviewed its sound attenuation program in 2007. A ranking system was developed based on existing sound levels, proximity to high-speed roadways and to existing sound attenuation facilities and future development. A report will be submitted to City Council in 2008.

Implementation of a bicycle network continued with several on-street bike lanes marked in 2007. Work also began on the development of a cycling education program.

To conserve energy, all traffic signals and decorative fixture light bulbs were replaced with light emitting diodes (LEDs).

A City truck brings a load of leaves and grass to the recycling depot.

Conversion of all traffic lights to LEDs (light emitting diodes).

The new recycling bins that sort paper, bottles/cans, and waste.

The City offered a Xeriscaping workshop and rainbarrel giveaway in 2007, and will offer a low-flow showerhead giveaway in 2008.

Energy and Greenhouse Gas Management

A corporate and community-wide Energy and Greenhouse Gas Management Plan was approved by City Council in 2007, with implementation planned for 2008.

Saskatoon Transit converted its entire fleet in June 2007 to a canola-methyl-ester based biodiesel.

Wetland Designs

The master plan of Storm Retention Pond 3/ Hyde Wetlands was completed. The first phase of construction is planned for May 2008 in the Rosewood neighbourhood.

Future Initiatives 2008-2010: Environmental Commitment

The City will open a recycling depot near Market Mall, and will partner with Cosmopolitan Industries and Saskatoon Curbside Recycling to implement a pilot plastics recycling program. The Provincial Multi-Material Recycling Plan will also be monitored.

As Saskatoon grows, the City will incorporate environmentally-friendly designs into new Saskatoon neighbourhoods.

Among civic staff and operations, environmentally-friendly practices will continue to be encouraged, and energy conservation measures will be implemented in civic facilities, vehicles, and equipment.

Core Strategy: Infrastructure Management

Build, maintain, and operate the City's infrastructure in a manner that maximizes current infrastructure, fosters growth, and is fiscally sustainable.

Planning for Future Growth

The Circle Drive Bridge and its approaching roadways were widened to three lanes in each direction, and a pedestrian bridge was constructed between and below the two bridge decks. In addition, the Clarence/Circle overpass was completed and opened to traffic, with sound attenuation walls to be completed in 2008. In 2007, the alignment plan for the south river crossing was approved by City Council.

New Neighbourhood Development

Servicing in Blairmore continued with the servicing of two high schools, and the servicing and sale of a regional retail site. The pedestrian overpass was opened in 2007, with roadwork in the institutional and multi-family areas to be completed in 2008.

Public consultations were held on a concept plan for the new development of the Rosewood neighbourhood in south east Saskatoon. With the plan currently in the final stages of review, consideration by City Council will take place in the first half of 2008.

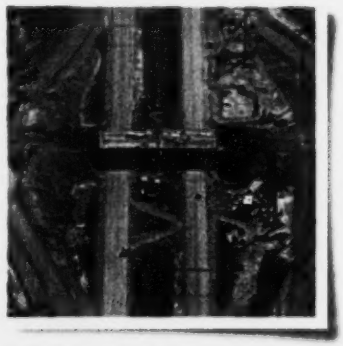
In Willowgrove, 445 lots were serviced and in Hampton Village, 301 lots were serviced.

New and Enhanced Infrastructure Projects

Design began on an off-line sewage storage tank to be constructed in the Confederation Drive Trunk

The City of Saskatoon and SaskPower partnered throughout the year to give away 8,000 energy efficient compact fluorescent lights (CFLs).

The widening of the Circle Drive Bridge to three lanes in each direction.



The construction of the Circle Drive / Clarence Avenue overpass, which was completed in November 2007.

System in 2008. Work will continue on a city-wide sanitary sewer system review in 2008.

As part of its plan to implement a city-wide storm water management master plan, the City constructed a storm water retention pond in the Confederation Drive area. A city-wide storm water review will take place in 2008.

Meetings with stakeholders and final site selection are underway on the construction of a replacement for the Lorne Avenue trunk lift station. Construction will begin in 2008.

Water Treatment and Sewer Use

The final details of the land purchase for a new east-side water treatment plant are underway and will be completed in the first quarter of 2008.

Data collection and technical review of the Sewer Use Bylaw were completed in 2007. Stakeholder consultations are underway, and the final report on the bylaw will be presented to City Council in 2008.

Future Initiatives 2008-2010: Infrastructure Management

As the City continues to prepare for future growth in Saskatoon, work on the south river crossing final design will continue. The city-wide storm water management master plan will be implemented, and a new business model for the storm water utility will be developed. In addition, the City will continue to secure long-term funding (Bridge Reserve) for the preservation of bridges/structures.

Work will continue on securing a site for a future east-side water treatment plant, and the Sewer Use Bylaw and water loss study will be completed.

Core Strategy: Aboriginal Partnerships

Build on the strengths of our existing relationships with Aboriginal communities.

Collaborating on Renters' Rights and Roles

Saskatoon Fire and Protective Services, in partnership with the Planning Branch and the Saskatoon Health Region, developed a "Renters' Rights, Roles and Responsibilities" program, and training was delivered at the Saskatoon Food Bank Learning Centre, and in the Pleasant Hill, Caswell Hill, and Mayfair neighbourhoods in cooperation with the Community Associations. Additional presentations are planned for 2008.

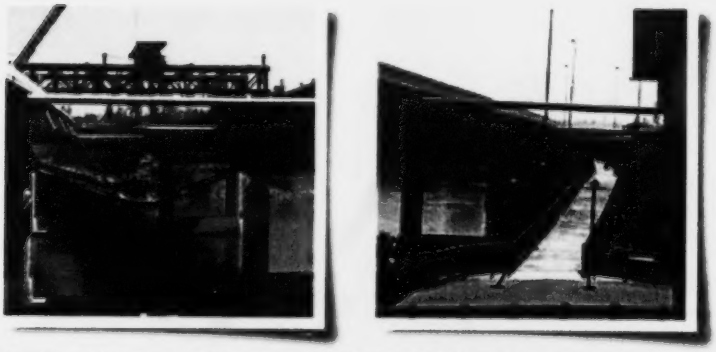
Partnerships for Training and Community Development

Work continues with Saskatoon Regional Economic Development Authority (SREDA) to encourage Aboriginal employment and training opportunities in Saskatoon.

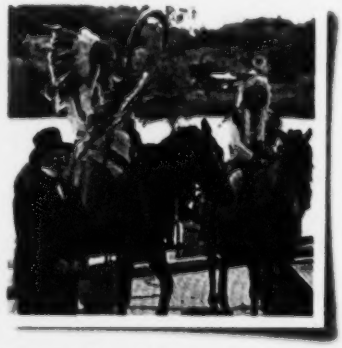
The City continued to support SREDA's partnering with the Interprovincial Association on Native Employment and their efforts to promote the hiring of people of Aboriginal ancestry.

The City explored partnering with community-based agencies to host community Aboriginal awareness education sessions. It is anticipated a joint education session will be held in early 2008.

The City of Saskatoon and the Whitecap Dakota First Nation partnered to produce "Bridging 125", a celebration to mark the 125th anniversary of the



The construction and completion of the new Circle Drive Pedestrian Bridge, suspended between the two bridge decks.



The re-enactment of the meeting of John Lake and Chief Whitecap, as part of the Bridging 125 festivities. (photo by Darrell Noakes)

historical meeting of John Lake and Chief Whitecap, Saskatoon's founding fathers. A dedication ceremony was held at the site of a future statue of the two men, followed by multicultural entertainment, a re-enactment of the meeting of the leaders, and fireworks on the river.

Educational Opportunities with First Nation Institutions

The City continued to investigate opportunities to recognize Aboriginal educational institutions' program credentials to assist in hiring qualified Aboriginal staff through the Saskatchewan Indian Institute of Technologies (SIIT) Accountancy Studies Program.

In 2007, eight Aboriginal students graduated from the pre-employment Transit Operator Training Program developed by the City in partnership with Saskatoon Tribal Council, Gabriel Dumont Institute, and SIIT.

Future Initiatives 2008-2010: Aboriginal Partnerships

The Central Urban Metis Federation Incorporated (CUMFI) is working to develop sporting, cultural and recreational program initiatives at the neighbourhood level. The City will support this work through the secondment of an Aboriginal programmer to assist CUMFI.

Core Strategy: Community Development

Enable active community-based participation in issue and problem identification, and resolution.

Affordable and/or Innovative Housing

The revitalization of Pleasant Hill began with the demolition and site preparation for two parcels of land within the approved concept plan.

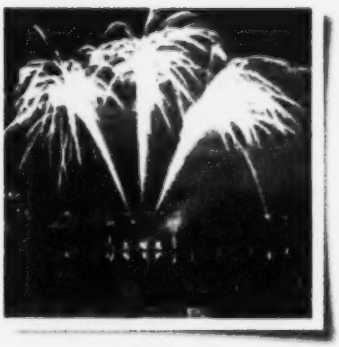
Local Area Plan Recommendations

Local Area Planning (LAP) provides residents with an active role in determining the future of their neighbourhood. To date, 122 LAP recommendations have been completed. Sixty additional recommendations are underway, and another 30 are pending.

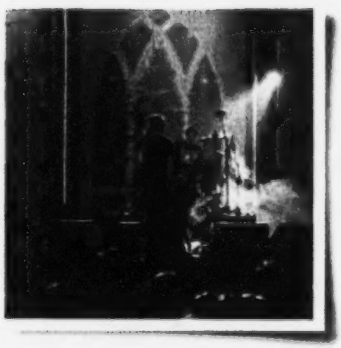
Community Centres and Integrated Facilities

Progress continues on the design of an integrated facility in the Willowgrove neighbourhood. The Willowgrove Community Centre will be integrated with one or two schools. Administration is working toward a public consultation process in 2008 to determine the program space and the scope of the facility integration.

The Blairmore Integrated Facility (Bethlehem Catholic High School and Tommy Douglas Collegiate) opened in August 2007. The Shaw Centre Phase I opened in January 2008, and Phase II is currently under construction with completion scheduled for April 2009. Administration continues to seek a naming sponsor for the competitive and leisure pools. Detailed designs of



The grand finale of Bridging 125 was an amazing pyrotechnics show set to music on the river. (photo by Darrell Noakes)



Saskatoon was proud to host the 2007 Juno Awards in late March. Billy Talent performs, photo courtesy of CARAS/iPhoto Inc.

Houses at the Station 20 West site.

the Morris T. Cherneskey Multi-District Park are being prepared with construction to start in 2008.

Safe and Affordable Neighbourhoods

The Crime Free Multi-Housing Business Plan was completed in 2007, and is designed to reduce crime in multiple unit dwellings by working closely with property managers, owners, and tenants. Saskatoon Police Service is leading the implementation of this plan, which is subject to 2008 Operating Budget approval.

A new business plan for affordable housing was adopted by City Council in December 2007 to encourage the development of affordable housing in all areas of the city, and in all new major residential infill and neighbourhood developments.

Future Initiatives 2008-2010: Community Development

The City will complete its housing projects in Pleasant Hill. A process to measure city-wide neighbourhood changes and critical success factors will also be developed.

Discussions with private sector stakeholders to develop a strategy to address infill opportunities within older neighbourhoods will continue. The creation of incentives for infill projects targeting 100 units per year in the private sector will also be discussed.

The City will continue work to foster community gardening development.

Core Strategy: Employee Relations

Encourage and support employees to achieve corporate objectives by reaching their full potential.

Enhanced Leadership

The City is working to ensure leadership continuity of all key positions through a number of initiatives. Corporate succession planning statistics were compiled and reviewed with the senior management team – the next step will be the development of departmental-specific succession plans.

Training in facilitation and conflict management became part of the Management Development Program (MDP) in 2007. The seventh module in the Program, "Emerging Issues" was launched focusing on the Duty to Accommodate. There are currently 138 managers enrolled in the MDP.

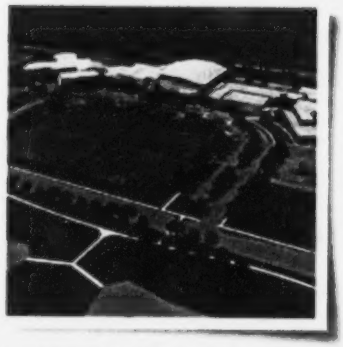
Twenty-nine career planning meetings were held with employees. Fourteen supervisory and general skill development programs were delivered to 400 front-line employees.

The City is also working on a policy for contracting retired civic employees.

Safe Workplaces

Safe workplaces are a priority for the City. The City's safety vision and principles were included in all safety communications, including staff meetings, the corporate website, and employee newsletter.

Demolition and site preparation work at the Pleasant Hill revitalization project.



An artist's rendering of the Morris T. Cherneskey Multi-District Park, including the Shaw Centre, Bethlehem Catholic High School, and Tommy Douglas Collegiate.

Some samples of the safety vision and principles posters distributed throughout civic workplaces.

Recruitment and Retention

The City is researching current practices internally and at other municipalities on a healthy work/life balance for its employees.

In 2007, the City increased job advertising through the use of a number of media including: SaskatoonJobShop.ca, Canada Saskatchewan Career and Employment Agency website, professional organizational websites, radio advertising, and newspaper advertising that steers applicants to the City's website for corporate information. Preliminary discussions have begun with the Communications Branch to develop a corporate external marketing plan and plans for department-specific positions.

Mandatory Retirement

A preliminary review was conducted on all affected civic pension and benefit plans to accommodate the abolition of mandatory retirement. All plans will be further reviewed and formally changed in collaboration with all civic unions and associations.

Future Initiatives 2008-2010: Employee Relations

Existing research will be used to address the impact of the City's aging workforce. A career enhancement program that promotes and supports employees to remain with the corporation including succession planning, job exchanges, cross-jurisdictional career planning, corporate tuition/education funding, and an enhanced recruitment and retention marketing program will be developed.

In 2007 there were over 2,300 permanent, seasonal, and temporary staff employed by the City of Saskatoon.

Core Strategy: Fiscal Responsibility

Manage the collection, stewardship, and allocation of public funds in the delivery of municipal services in a fiscally responsible way.

Fiscal Responsibility

The City has a number of initiatives in place to help ensure future generations are not financially responsible for benefits received by today's residents.

Using the Consumer Price Index (CPI) as a benchmark for future property tax increases, a 4.76% increase in taxation was implemented in 2007.

A water and wastewater utility cost of service and rate review will be completed in conjunction with the Sewer Use Bylaw review.

A new business model for the storm utility is underway. The data collection and technical analysis are complete, and a report regarding the new model will be issued in 2008.

The City continued the collection and analysis of assessment information and continued to meet with property owners and business groups to ensure all stakeholders were aware of the market value system that will be implemented in 2009.

A tentative bulk power agreement was reached with SaskPower in 2007, and will be finalized in 2008.

2007 Distribution of Property Taxes

55.6% School Boards

39.9% City of Saskatoon

4.5% Public Library

Addressing Capital Funding Shortfalls

City Council approved the creation of a bridge maintenance reserve, however the current annual funding level is insufficient. Recommendations for increased funding will be brought forward in the 2008 Operating Budget.

Planning for Growth

The acquisition of 810 acres for future residential development, and 160 acres for future industrial development was completed.

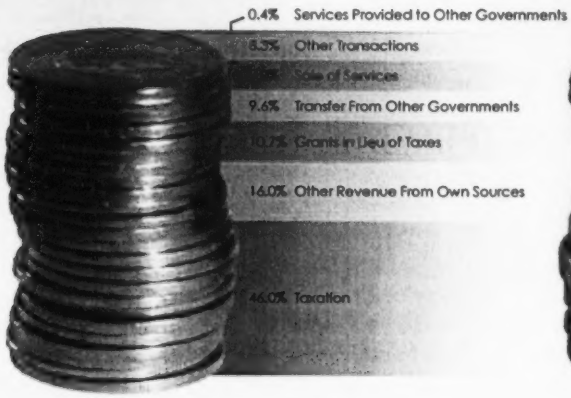
A business case is being prepared to determine if a public-private partnership is the best delivery method for the South Bridge project.

Future Initiatives 2008-2010: Fiscal Responsibility

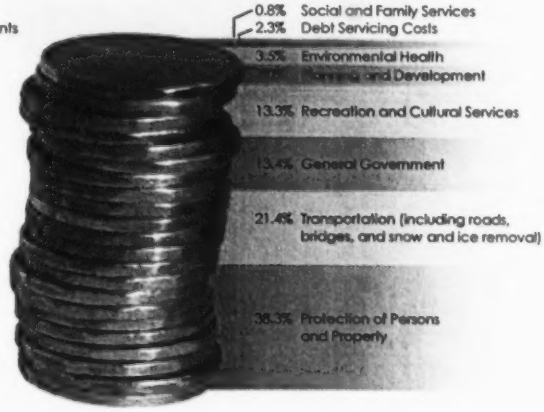
The City will continue to pursue alternate sources of revenue by lobbying senior levels of government for sustainable funding to rectify the fiscal imbalance. Public-private partnerships for major capital funding sources will also be investigated.

Public Sector Accounting Board recommendations will be implemented to ensure the City's financial statements meet new accounting standards, including the reporting of tangible capital assets by the fiscal reporting year of 2009.

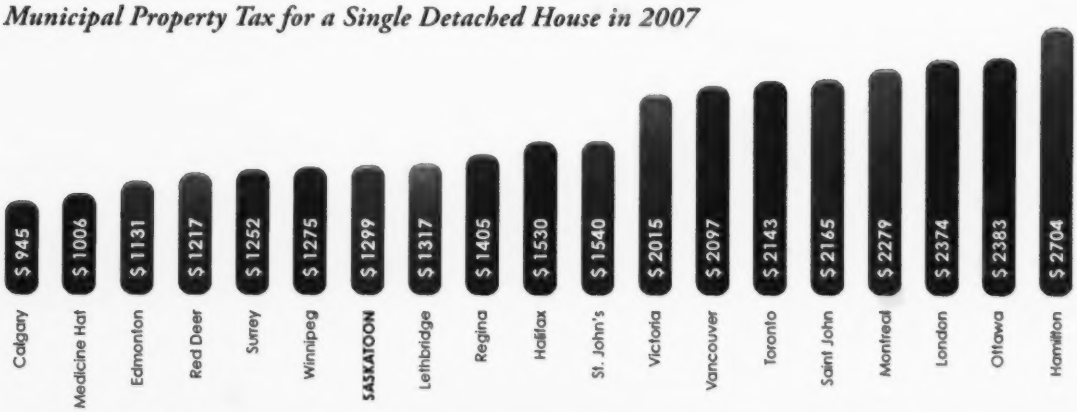
Where the Money to Run the City Comes From


0.4% Services Provided to Other Governments
Other Transactions
Sale of Services
9.6% Transfer From Other Governments
Grants in Lieu of Taxes
16.0% Other Revenue From Own Sources
46.0% Taxation

Where Your Municipal Tax Dollars are Spent


0.8% Social and Family Services
2.3% Debt Servicing Costs
3.5% Environmental Health
Planning and Development
13.3% Recreation and Cultural Services
13.4% General Government
21.4% Transportation (including roads, bridges, and snow and ice removal)
38.3% Protection of Persons and Property

Municipal Property Tax for a Single Detached House in 2007



Source: City of Edmonton, December 2007. For a 25-30 year-old detached 3-bedroom bungalow with a main floor area of 1,200 square feet, finished full basement and a double car garage, on a 6,000 square foot lot. Municipal property taxes do not include school board taxes.

Core Strategy: Multicultural Cooperation

Recognize the cultural diversity of our community and support growth through immigration.

Enhancing Race Relations and Cultural Diversity

The City continued to develop a protocol agreement with the Saskatchewan Human Rights Commission to deal with complaints of racism. The new protocol will include cooperative education, awareness initiatives, and a complaints process.

In order to address employment opportunities and retention of the immigrant population in Saskatoon, an issue paper entitled "Building Saskatoon to Become a Global City: A Framework for an Immigration Action Plan" was prepared and presented to City Council in 2007. Recommendations for next steps to pursue from the Plan were also approved by City Council.

Future Initiatives 2008-2010: Multicultural Cooperation

Focus groups will be held with residents to discuss the findings of a youth perception survey, and then to develop an action plan.

The feasibility of developing an English as a Second Language (ESL) program for civic employees, in conjunction with community-based settlement agencies, will be explored.

Core Strategy: Community Safety

Optimize the safety and security of our community.

Keeping Our Residents Safe and Secure

Plans to purchase land, design, construct, and staff a new east side fire station by 2009 are underway. The new fire station will be located in the Lakewood Suburban Centre.

Timely, Efficient, and Effective Emergency Response

A new Emergency Operations Centre (EOC) at Fire Station #9 was installed to optimize major emergency/ disaster planning and preparedness. A three-phase process was created to alert all civic departments in the event of a pending situation such as severe weather, or an immediate emergency incident. Each City department is establishing individual operations centres to deal effectively with early mobilization or early phase emergencies.

The Emergency Measures Coordinator continued to participate in disaster response planning and awareness education with key community stakeholders including the school boards, Saskatoon Health Region, and private industry in order to enhance public safety and security.

Crime Prevention and Reduction

The Crime Prevention Through Environmental Design (CPTED) program and appropriate funding resources were approved. The Gang Strategy formalized sub-committees for prevention, intervention, and suppression.

The four winning posters from the 2007 Living in Harmony art contest. In order of artist the above posters were created by Skye Charters; Bashir Abdal Gayum; Suhae Park; Mesha Wuttunee.

In 2007, property crimes were reduced by 9.6%, break and enters were reduced by 26%, and over 1,400 more arrests were made than in 2006.

Safe Water

In conjunction with the South Saskatchewan Watershed Authority, the master plan for watershed protection for the South Saskatchewan River Basin was drafted and sent to City Council in September. The City will develop a work plan in 2008 to meet Saskatoon targets.

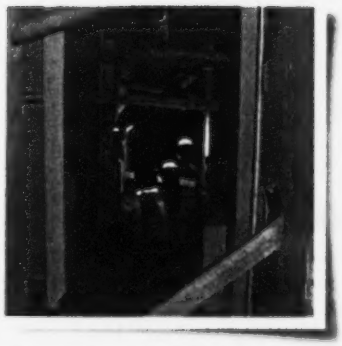
Pandemic Planning

The Emergency Measures Coordinator worked with senior managers to develop an Influenza Pandemic Plan. The Plan includes the development of key strategies and policies, and is currently being reviewed by a corporate working committee for implementation and corporate impact.

Future Initiatives 2008-2010: Community Safety

A financing plan for a new Police headquarters by 2013 is being developed. A safe routes for school children program will be implemented, and the construction of all new major civic facilities and neighbourhood designs will be evaluated using the Crime Prevention Through Environmental Design (CPTED) process.

In 2007, Saskatoon Fire and Protective Services responded to 13,830 alarms (this covers any call, whether it was an emergency or non-emergency); went to 1,492 fires (houses, buildings, vehicles, etc.); conducted 100 fire investigations; and completed 88 rescues (including extrications, and water, high angle, and elevator rescues).



Saskatoon Fire and Protective Services' training exercise "Operation School's Out" to test evacuation, search and rescue, and triage skills.

The City is developing a watershed protection plan to ensure the continued supply of safe, clean drinking water.

Financial Management and Control

Corporate Planning Process

City Council's current Strategic Plan sets out a vision for the community, a mission statement, and a set of corporate values and strategies. The Administration's three-year Corporate Business Plan is updated annually to support the Strategic Plan. On March 17, 2008, City Council received the current Corporate Business Plan identifying specific initiatives for implementation during the 2008-2010 timeframe. In addition, three-year departmental business plans were developed to ensure progress is made towards the achievement of Council's strategies.

Business plans are used to develop annual budgets. The Capital Budget makes decisions and choices (based on Council's priorities) on which projects will proceed over which timeframe. Long-term capital planning (through the five-year plan) and reserve policies attempt to match required funds to required projects.

The Operating Budget allocates resources under the principle of continuing to deliver existing services and service levels. In addition, it recommends service level changes for specific programs based on a number of factors (usage, demand, ability to pay, growth, legislative change, business case, etc.). Choices are put before Council on issues that have been raised by Council, raised by the public, and/or identified by Administration.

Annual Financial Reports

A number of annual financial reports are submitted to City Council for their information and review, including the financial reports, capital project status reports, performance measurement reports, and the public accounts.

The annual Financial Report includes the consolidated financial statements prepared in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. These statements are audited by the City's appointed external auditor.

Financial Policies

The City of Saskatoon operates under a number of financial policies, some of which have received formal approval by City Council; others are based on fiscal responsibility.

Property Tax Policies

In 2001, City Council resolved that commercial property be taxed at 1.75 times the residential rate (to be shifted over a 10 year period) and that the effective tax rate between residential, condominium, and multi-family residential classes be equalized.

Investment Policy

City Council has approved a policy on portfolio management, which ensures that City portfolios are invested to primarily achieve the preservation of capital, the maintenance of liquidity sufficient to meet on-going financial requirements, and to maximize return on investment. Specific guidelines are outlined regarding the type of securities approved for purchase, investment limitations, and term structure.

Reserve Policies

City Council has established reserves through bylaw to fund capital projects, and through policy to provide a source of funds to stabilize specific user pay programs and/or general revenue variances.

The majority of capital work undertaken by the City is funded through dedicated reserves. The purpose, funding source and withdrawal criteria is specifically outlined within bylaw. City Council approval is required for all withdrawals. The remaining reserves are specifically outlined in policy; a majority of these are used to stabilize specific programs either funded through user fees (golf courses), are dependent upon weather (snow and ice management) or are used to fund overall operations against revenue variances (interest earnings).

Debt Management Policies

The City of Saskatoon has operated primarily under a "pay-as-you-go" philosophy whereby its facilities and infrastructure are built based on current and projected reserve balances. The City Council-approved policy on borrowing for capital projects specifically outlines borrowing only if sufficient funds are not otherwise available in existing reserves or through external sources, if funds will be recovered from future operating revenues or operating savings, and/or it would be equitable to extend the capital financing through borrowing for major capital initiatives to future users.

Services Provided By City Departments

Office of the City Manager

The City Manager is the chief administrative officer of the City of Saskatoon. The position is responsible for planning, directing, supervising, coordinating, and controlling all municipal operations as approved by City Council.

The City Manager's responsibilities include providing assistance and advice on various aspects of municipal operations, investigating and reporting on all matters referred by City Council and its committees, and submitting the capital and operating budgets to City Council for review.

The City Manager chairs the Management Committee (comprised of all General Managers, the City Solicitor, the City Clerk, and the Chief of Police as a liaison) which is responsible for coordination of all city-wide management and operational matters.

The City Manager is the direct supervisor of all General Managers and through them, all Branch Managers and civic employees (except for those boards and commissions which are responsible to City Council). This includes the appointment, promotion, demotion, and suspension of employees of the City, except those employees appointed directly by City Council.

The City Manager conducts or directs such contacts as are necessary with provincial, federal, or other government officials concerning matters of an administrative nature.

Communications Branch

The Communications Branch plans and directs all corporate communication activities for the civic administration including the development and implementation of public, employee, and media relation strategies. The Branch operates in a consultative capacity to Senior Management on communication issues, and acts as an internal consultant for departments who do not have resources dedicated to marketing and communications.

The Communications Branch manages various corporate communication activities including campaigns, advertising, the distribution of news releases, event management, brochure development, and the production of the employee newsletter "Currents."

In coordination with the Emergency Measures Organization, the Branch also administers the Emergency Public Information Plan.

Office of the City Clerk

The primary responsibility of the City Clerk's Office is to administer the City's legislative processes. Responsibilities include: preparing and distributing agendas, minutes, and decisions of City Council and its committees; ensuring that the business of City Council and its committees are conducted in accordance with The Cities Act and other relevant legislation; maintaining corporate records and City Archives; conducting municipal elections, administering the provisions of The Local Authority Freedom of Information and Protection of Privacy Act, and providing administrative support services to City Councillors.

Office of the City Solicitor

The Office of the City Solicitor provides general and specialized legal services for the Corporation. While it reports directly to City Council, the Office also provides legal services to all civic departments, boards, and commissions. The major areas of responsibility include giving legal advice to City Council, the City Manager, and other civic departments; representing the City at all levels of court; doing all the legislative drafting and all bylaw enforcements for the City; and providing a wide variety of legal work such as land transactions, contracts, and risk management.

Community Services Department

The Community Services Department provides programs, services, and resources to create a community in which people of all ages and cultural backgrounds want to live, work, play, and visit. Through community consultation and the dedication of our employees, we continue to strive for excellence.

Building Standards Branch

The Building Standards Branch issues building and plumbing permits and administers inspection programs related to regulations contained in the Building Bylaw, the Swimming Pool Bylaw, the Uniform Building and Accessibility Standards Act, the National Building Code, and the Plumbing and Drainage Regulations.

Business Administration Branch

The Business Administration Branch provides coordinated support for the following functions: financial accountability; implementation and

maintenance of business and information management systems; marketing strategies and communication programs; human resource management; and clerical services.

City Planning Branch

The City Planning Branch is responsible for the preparation and maintenance of the City of Saskatoon Development Plan. The Development Plan is a legal bylaw, which is used to define and control development in Saskatoon to ensure orderly, rational change, and growth. The Branch is also responsible for Local Area Planning, affordable housing, research and information, Crime Prevention Through Environmental Design, and future growth.

Community Development Branch

The underlying objective behind the Community Development Branch activities is to provide the supportive environment and capacity that empowers members of the community. The Branch is also responsible for the Cultural Diversity and Race Relations Policy.

Development Services Branch

The Development Services Branch reviews and issues business licenses, facilitates the orderly use and development of property, and supports the conservation of heritage properties.

Land Branch

The Land Branch plans, services, and sells residential, commercial, and industrial lots owned by the City of Saskatoon. The Branch is also responsible for Urban Design which provides design services for streetscape projects and programs primarily in Saskatoon Business Improvement Districts.

Leisure Services Branch

The Leisure Services Branch ensures that a broad range of sport, culture, parks, and recreation opportunities are available and affordable to residents and visitors. Programming is offered through leisure centres, rinks, a zoo, golf courses, a campground, a speed skating oval, and various park locations.

Corporate Services Department

The City of Saskatoon is a large organization with nearly 2,600 full-time, part-time, and seasonal employees. The Corporate Services Department's role is to help the institution work effectively and efficiently. The Department is responsible for the finance function, human resource management, information technology and services, purchasing and inventory, and administrative support services within the Corporation. These responsibilities are delivered through five Branches.

Assessment Branch

This Branch is responsible for establishing and providing the assessment of all real property located in the City of Saskatoon in compliance with provincial legislation, producing the assessment roll, and defending such assessments before the Board of Revision and the Saskatchewan Municipal Board.

Comptroller's Branch

This Branch is responsible for providing corporate financial recording, reporting and control; supplier payments; administration of the City's Operating and Capital Budget process; employee payroll and benefits; and payments to superannuates. In addition, general financial management services are provided to all departments, boards, and commissions.

Corporate Information Services Branch

The mandate of the CIS Branch is to ensure the effective management of the City's information assets and supporting technologies. The Branch's mission is 'to assist and enable Civic Departments to meet their goals and objectives through leadership in technology services and solutions.' CIS also provides supply management, printing, and mail services to the Corporation.

Human Resources Branch

The Human Resources Branch (comprised of three sections: Employment and Compensation; Employee Services; and Labour Relations) provides services in the areas of employee recruitment and retention, benefits, organizational and staff development, occupational health and safety, and labour relations.

Treasurer's Branch

This Branch is responsible for the collection, control, and disbursement of all corporate funds, including the investment function. This includes responsibility for the billing and collection of taxes, property taxes, electrical, water and sewer utility services, and matters related to municipal licensing. Other responsibilities include administration of the Animal Services Program and the regulating of the General Licensing Bylaw.

Fire and Protective Services Department

Saskatoon Fire and Protective Services (SFPS) provides twenty-four hour emergency response service in conjunction with the Saskatoon Emergency 9-1-1 Telephone System. This gives residents of Saskatoon an emergency protective services delivery system consisting of a wide range of components for the sole purpose of preventing emergencies and reducing the loss of life and property. SFPS responds to and mitigates emergencies involving the rescue of persons, incidents of fire, unplanned releases of dangerous goods, and pre-hospital emergency medical incidents. SFPS provides community-based, customer-focused service to create a safe and comfortable environment for the residents of Saskatoon.

SFPS protects the City's tax base and supports economic development through extensive inspection, prevention, and enforcement programs carried out by the Fire Prevention and Investigation Division.

The Department's Community Relations Division works within the community promoting fire safety and injury prevention. Presentations are offered to students, community groups, parenting resource programs, seniors, and employee groups. The Division, through Program Firestop, also provides education to parents and children and referral for juveniles suspected of setting fires.

SFPS manages the Emergency Measures Organization, which undertakes to ensure a coordinated and timely response in the event of extraordinary emergencies that overwhelm existing resources.

Infrastructure Services Department

The Infrastructure Services Department is responsible for the planning, operation, and maintenance of many of the City's assets including those involved with water distribution, sanitary sewage collection, storm water collection, roadways, bridges, parks and open spaces, public cemeteries, vehicle and equipment fleet, and City-owned buildings and structures. The Department is organized into six Branches.

Business Administration Branch

The Business Administration Branch is responsible for providing support services to the department in the areas of financial, system support, clerical, administrative, and human resource services.

Facilities Branch

The Facilities Branch is responsible for the City's buildings and structures, the City-owned vehicle and equipment fleet, and the City's radio communications system. As such, the Branch provides for building operation and maintenance of civic facilities such as leisure facilities, fire halls, transit buildings, City office buildings, and contracted services for boards and agencies. Project management services for any capital or maintenance projects are provided, including design, contract tendering and award, and construction management. Energy management, space management, and accommodation planning are also provided for user departments.

Municipal Engineering Branch

The Municipal Engineering Branch provides planning, design, construction, and regulatory services. Major activities include network planning for municipal services, functional and detailed designs, land development, traffic management and operations, parking control and enforcement, construction and project management services, technical support services, and regulatory control through bylaw enforcement.

Parks Branch

The Parks Branch is responsible for the maintenance and preservation of more than 1,000 hectares of the City of Saskatoon's parks and civic open spaces. This is accomplished by utilizing horticultural maintenance standards, maintenance contracts, and policy development. The responsibility of the Branch extends to maintenance of civic green space, parks, and boulevards, as well as maintenance and operation of the Woodlawn and Nutana Pioneer Cemeteries, the Greenhouse/Conservatory Program, the Pest Management Program, and the Urban Forestry Program.

Public Works Branch

The Public Works Branch is responsible for the operation, maintenance, and preservation of roads, lanes, sidewalks, water mains, sanitary sewer mains, and storm sewer mains.

Strategic Services Branch

The Strategic Services Branch is a new branch within Infrastructure Services that was established in order to separate the time consuming long-term strategic functions from the day-to-day operations. The Department relies on the Branch to lead engineering policy and procedure development; to coordinate initiatives as required; and to develop and manage long-term strategies for the preservation of the City's key infrastructure assets.

Utility Services Department

A "utility" is simply a service provided to the public for a fee such as electricity, water, or transportation. This Department brings together the majority of utilities that generate revenue from fees charged directly to the user. Utility Services is divided into five Branches.

Business Administration Branch

This Branch is responsible for the business functions of the Department, including utility rate design and analysis.

Environmental Services Branch

The Environmental Services Branch administers programs and capital work relating to the reduction of corporate and community greenhouse gases through the Partners for Climate Protection Program; development, implementation, and maintenance of the corporate Environmental Management System; promotion of environmental and sustainability initiatives; brownfield remediation and environmental site assessments coordination; solid waste collection, disposal, and reduction; landfill operations; waste minimization programming; and laboratory services to support all necessary operational needs and projects of the Water and Wastewater Treatment Plants.

Saskatoon Light & Power

The City of Saskatoon operates an electric utility providing electrical service to the area of Saskatoon that lies generally within the 1958 City boundary. Bulk electrical power is purchased from the provincial Crown utility, SaskPower, and through a system of transmission lines, substations, and distribution lines with associated distribution hardware, this Utility distributes electricity to customers on demand at locations and at voltages appropriate to their needs. The Utility is also responsible for the street lighting system.

Saskatoon Transit

Saskatoon Transit operates and maintains Saskatoon's public transit system. The Branch also provides Access Transit for individuals who are unable to use the regular transit system with safety and dignity. Saskatoon Transit operates six terminals spread throughout the city. Saskatoon Transit's service includes DART (Direct Access Rapid Transit) which serves all major quadrants of the city and can best be described as a light rail system on wheels.

Water and Wastewater Treatment Branch

The Water and Wastewater Treatment Branch is responsible for the operation and maintenance of the City's water and wastewater treatment, the handling and disposal of solids resulting from the treatment processes, the remote water and wastewater pumping facilities, ongoing process optimization and environmental studies, long-term expansion planning, related construction project management and capital work, and the testing and maintenance of water meters.

Boards And Commissions

Credit Union Centre
(Legal name: Saskatchewan Place Association Inc.)

Credit Union Centre, Western Canada's most versatile and exciting trade, sports, and entertainment centre, was built to eventually accommodate over 16,000 patrons. After opening with a fixed seating capacity of 7,700, Credit Union Centre expanded in the fall of 1990 to 11,300 permanent seats.

In the building's short history it has been the site of World and Canadian sporting championships, major concerts, and trade shows, and is the home of the Saskatoon Blades of the Western Hockey League. The hosting of these events brings over 700,000 through Credit Union Centre on an annual basis.

Mendel Art Gallery and Civic Conservatory

The Mendel Art Gallery and Civic Conservatory was opened in 1964 and named to honour Frederick S. Mendel, industrialist and art connoisseur, who established his business and home in Saskatoon in 1940.

Selections from the Gallery's collection are exhibited regularly, along with regularly scheduled contemporary and historical exhibitions of local, national, and international origin. Each year approximately twenty exhibitions are presented without charge for the benefit of Saskatonians and visitors to the city. The Mendel Art Gallery and Civic Conservatory is operated as a civic corporation under a board of appointed trustees.

Saskatoon Police Service

The operations of the Saskatoon Police Service are established under the authority of the Saskatchewan Police Act, Part III, Section 25 and 26, and under the City of Saskatoon Bylaw 5728. The Saskatoon Board

of Police Commissioners is appointed by City Council to oversee the police operations and consists of the Mayor, two City Council members, and two citizens-at-large.

The Board is subject to the legislative jurisdiction of the City Council to the extent only that the amount expended for upkeep of the service must not exceed the amount fixed by the current estimates of the Council for that purpose.

The Police Service is equipped and trained for the most current needs in the delivery of a police service in the partnership with the community. They also offer emergency services, take complaints of crime, conduct follow-up investigations and preventative activities throughout the city on a 24-hour basis.

Saskatoon Public Library

The Saskatoon Public Library, which first opened for circulation in May 1913, in the basement of the Odd Fellow's Hall, is now a city-wide system consisting of the central library, six branches, and one book trailer. The Library is supported by city taxation and provincial government grants, but direct service to each Saskatoon resident is free of charge.

The Library is a community resource centre, offering books, DVDs, compact discs, video cassettes, CD-ROMs, magazines, newspapers, maps, audio cassettes, telephone books, pamphlets, government documents, trade directories, indexes, and other materials to meet public informational, educational, and recreational needs. City Council minutes, reports, studies, and other civic material are available and may be consulted in the Library.

An automated circulation system operates in the main library, branches, and book trailer. The host computer is housed in the Frances Morrison (Main) Branch Library. This facility makes the collection of the entire system more accessible to all users and allows the Library a much more accurate inventory of the location of materials at any given moment.

TCU Place
(Legal name: Saskatoon Centennial Auditorium and Convention Centre Corporation)

TCU Place was a project to commemorate the centennial of the founding of the Dominion of Canada. It is an imposing and beautiful building in the heart of the city, adjacent to a major shopping complex, steps away from first-class hotels, restaurants, boutiques, and parking facilities for 2,000 cars. The facility is equipped with sophisticated aids for audio, visual, stage, or exhibit requirements, maintains an in-house catering/banquet service, and is part of a province-wide box office. TCU Place's 2,000 soft-seat concert theatre has brought heartwarming praise from numerous world class entertainers and artists, touring companies, ballet companies, and local and international performing art groups, and is home of the Saskatoon Symphony.

A recent expansion created an additional 52,000 square feet, bringing the total area to 104,000 square feet of high-end convention space. TCU Place is poised for the large sized national and international convention market, with first-class convention facilities and services.

In addition, the Box Office is part of the Ticketmaster ticket distribution system that sells tickets not only for TCU Place but also Credit Union Centre and other venues across Canada. TCU Place is owned by the City of Saskatoon and is operated by the Saskatoon Centennial Auditorium and Convention Centre Corporation. The Corporation, as well as the Saskatoon Centennial Auditorium and Convention Centre Foundation, consists of a Board of Directors with representation from City Council and the general public.

Financial Report

City of Saskatoon Saskatchewan Canada

Management's Report

City of Saskatoon

The accompanying Consolidated Financial Statements and all other information contained in this Annual Report are the responsibility of management. The Consolidated Financial Statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The preparation of the statements necessarily includes some amounts which are based on the best estimates and judgements of management. Financial data elsewhere in the Annual Report is consistent with that of the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded and that financial records are reliable for the presentation of financial statements.

The Audit Committee of the City of Saskatoon comprises five elected officials who are appointed annually. The Committee recommends the engagement of the Internal and External Auditors, approves the annual and long-term audit plans, reviews the audit reports and the audited financial statements for presentation to City Council.

Deloitte & Touche, LLP, Chartered Accountants, the City's appointed external auditors, have audited the Consolidated Financial Statements. Their report to the Mayor and City Council, stating the scope of their examination and opinion on the consolidated financial statements, follows.

Phil Richards
City Manager

May 30, 2008

Marlys Bilanski, CMA, FCMA
General Manager, Corporate Services

Auditor's Report

Deloitte & Touche LLP Chartered Accountants

His Worship the Mayor and City Council:

We have audited the Consolidated Statement of Financial Position of the City of Saskatoon as at December 31, 2007 and the Consolidated Statements of Financial Activities and Changes in Financial Position for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City of Saskatoon as at December 31, 2007 and the results of its operations and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The current year's supplementary information included in the schedules and appendices is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

Chartered Accountants

Saskatoon, Saskatchewan

April 11, 2008

Consolidated Statement of Financial Position

As at December 31, 2007 (in thousands of dollars)

	2006	2007
Financial Assets		
Cash and Cash Equivalents (Note 2)	$ 41,827	$ 64,244
Taxes Receivable (Note 3)	8,464	6,468
Accounts Receivable and User Charges (Note 3)	68,853	107,210
Loan Receivable (Note 4)	6,672	6,297
Land Inventory for Resale	14,250	20,728
Other Assets (Note 5)	6,151	5,366
Investments (Note 6)	145,027	147,790
Accrued Pension Asset (Note 8)	59,469	65,012
Total Financial Assets	350,713	423,115
Financial Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	76,117	95,660
Deferred Revenue (Note 10)	13,813	56,045
Long-Term Liabilities (Note 11)	42,719	47,656
Employee Benefits Payable (Note 12)	19,534	20,310
Total Financial Liabilities	152,183	219,671
Total Net Financial Assets	198,530	203,444
Non-Financial Assets		
Prepaid Expenditures	1,850	1,290
Inventory of Materials and Supplies	8,660	9,428
Total Non-Financial Assets	10,510	10,718
Total Net Assets	$ 209,040	$ 214,162

See accompanying notes.

Consolidated Statement of Financial Activities

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Revenues			
Taxation	$ 112,775	$ 119,365	**$ 119,171**
Grants in Lieu of Taxes	4,181	4,280	**4,147**
User Charges	205,392	207,429	**220,008**
Federation of Canadian Municipalities	16	_	**52**
Government Transfers (Note 14)	31,281	47,317	**46,224**
Investment Income	10,007	9,530	**10,757**
Contribution from Developers	55,617	11,807	**106,138**
Other	47,538	46,603	**53,707**
Total Revenues	466,807	446,331	**560,204**
Expenditures			
General Government	24,507	19,252	**24,602**
Protection of Persons and Property	83,179	89,101	**94,670**
Transportation	113,864	84,358	**102,005**
Environmental Health	67,986	130,285	**65,842**
Social and Family Services	2,140	1,972	**2,429**
Planning & Development	18,715	23,609	**20,012**
Recreation and Cultural Services	74,130	73,035	**80,575**
Property Purchases and Development	41,807	62,438	**75,123**
Saskatoon Light & Power	85,186	90,579	**83,096**
Debt Servicing Costs	4,082	6,532	**6,728**
Total Expenditures	515,596	581,161	**555,082**
Excess (Deficiency) of Revenues over Expenditures	(48,789)	(134,830)	**5,122**
Net Assets, Beginning of Year	257,829		**209,040**
Net Assets, End of Year (Note 13)	$ 209,040		**$ 214,162**

See accompanying notes.

Consolidated Statement of Changes in Financial Position

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006	2007
Operating Activities		
Excess (Deficiency) of Revenues over Expenditures	$ (48,789)	$ 5,122
Changes in Non-Cash Items		
Taxes Receivable	1,911	1,996
Accounts Receivable and User Charges	(18,875)	(38,357)
Loan Receivable	365	375
Land Inventory for Resale	10,609	(6,478)
Other Current Assets	(228)	785
Accrued Pension Asset	25,342	(5,543)
Prepaid Expenditures	730	560
Inventory of Materials and Supplies	–	(768)
Accounts Payable and Accrued Liabilities	7,999	19,543
Deferred Revenue	(2,238)	42,232
Employee Benefits Payable	94	776
Cash From (Used In) Operations	(23,080)	20,243
Investing Activities		
Net Increase in Investments	(15,576)	(2,763)
Financing Activities		
Debentures issued	–	9,645
Long-Term net debt repaid	(5,406)	(4,708)
	(5,406)	4,937
Increase (Decrease) in Cash and Cash Equivalents	(44,062)	22,417
Opening Cash and Cash Equivalents	85,889	41,827
Closing Cash and Cash Equivalents	$ 41,827	$ 64,244

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2007

1. Accounting Policies

The consolidated financial statements of the City of Saskatoon (the City) are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (CICA). Significant aspects of the accounting policies adopted by the City are as follows:

A) Basis of Consolidation

i) The consolidated financial statements reflect the assets, liabilities, revenue, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City, namely:

- General Revenue and Capital Funds
- Board of Police Commissioners
- Wastewater Utility
- Storm Water Management Utility
- Water Utility
- Saskatoon Light & Power
- Transit Utility
- Mendel Art Gallery
- Centennial Auditorium (Operating as TCU Place)
- Saskatchewan Place (Operating as Credit Union Centre)
- Saskatoon Public Library
- Reserve Funds

All interfund loans, other than normal trade accounts payable/receivable, have been eliminated through the consolidation. Schedule 5, and supporting Appendices 1 to 6, include only those revenues and expenditures reflected in the City's annual Operating Budget, which is prepared to identify the City's property tax requirements. Excluded from this Schedule are the operations of the Mendel Art Gallery, TCU Place, Credit Union Centre, Saskatoon Public Library, and the Sinking Fund.

ii) Trust funds (see Note 17) and pension funds and their related operations administered by the City are not reflected in the consolidated financial statements.

iii) Accounting for School Board Transactions:

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, are not reflected in the municipal fund balances of these financial statements. Amounts due to/from school boards are reported on the consolidated Statement of Financial Position as accounts payable/accounts receivable.

B) Basis of Accounting

i) Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from development charges for services that have not yet been provided at the time the charges are collected are accounted for as deferred revenue until used for the purposes specified. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

1. Accounting Policies (continued)

B) Basis of Accounting (continued)

ii) Property tax revenue is based on assessments determined in accordance with Saskatchewan legislation and the formulas, principles and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. A provision has been recorded in Accounts Payable and Accrued Liabilities for potential losses on assessment appeals outstanding as of December 31, 2007.

iii) Inventories held for resale are valued at the lower of cost or net realizable value. Cost is determined using average laid-in costs. Inventories of materials and supplies represent amounts to be financed in future years as these inventories are consumed.

iv) Land Inventory for Resale:

Land inventory for resale is recorded at the lower of adjusted cost and net realizable value. Adjusted cost includes amounts for land acquisition and improvements to prepare the land for sale. Land is available for resale when approved for sale by the Land Bank Committee and when all municipal services have been completed.

v) Capital Outlay Financed by Long-term Liabilities to be Recovered in Future Years:

Capital outlay financed by long-term liabilities to be recovered in future years represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures, less Sinking Fund requirements (see Note 11).

vi) Physical Assets:

The historical cost and accumulated depreciation for physical assets are not recorded for municipal purposes. Physical assets are reported as an expenditure on the Consolidated Statement of Financial Activities in the year of acquisition. The proceeds from debt issues for those physical assets financed by long-term indebtedness are reported on the Consolidated Statement of Financial Activities as amounts to be recovered.

vii) All investments are recorded at cost less any amounts written off to reflect a permanent decline in value. Premiums and discounts are amortized over the life of the investment. Investment transactions are accounted for at the settlement date. Investment income is recorded on the accrual basis.

viii) Deferred Revenue:

Development Charges:
The City receives, either from private developers or as a result of the sale of its own developed properties, levies for services which have not yet been provided at the time the levies are collected. These revenues are not recognized until the applicable expenditures for such services are incurred.

ix) The City is one of the primary property developers in the municipality. Expenditures relating to the servicing of new subdivisions within the city are charged against the prepaid services account (which forms part of the unexpended capital financing – see Note 13). Proceeds from the sale of lots are credited to the prepaid services, land bank, or Property Realized Reserve for the applicable portion attributable to services or to land. Any property purchased for future land development is funded by the Property Realized Reserve.

x) Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates can be made.

1. Accounting Policies (continued)

B) Basis of Accounting (continued)

xi) The City of Saskatoon makes contributions to the General Superannuation, Part-Time and Seasonal Employee Superannuation, Police Superannuation, and Fire and Protective Services Department Superannuation Plans on behalf of its staff. Pension expenditures are recorded based on current service requirements and have been included as an expenditure in the current year.

xii) The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures for the year. Actual results could differ from those estimates.

xiii) In April 2006, the CICA added Section PS2700, *Segment Disclosures*. This section establishes standards on how to provide for meaningful segmented reporting in government financial statements and is applicable to financial statements for fiscal years beginning on or after April 1, 2007. The City early adopted this section.

Segmented information on the Consolidated Financial Activities is presented on Schedule 4. It is based on capital and operating services for both utilities and the general City programs, plus information on the Saskatoon Public Library, Mendel Art Gallery, TCU Place and Credit Union Centre.

2. Cash And Cash Equivalents

(Dollars in Thousands)

	Cost		Market	
	2006	2007	2006	2007
Cash	$2,682	$11,596	$2,682	$11,596
Treasury bills, provincial promissory notes, bankers acceptance, commercial paper	39,145	52,648	39,551	53,149
	$41,827	$64,244	$42,233	$64,745

Effective interest rates are 3.83 percent to 4.81 percent.

3. Receivables

It is the normal practice of the City to review its accounts receivable on a regular basis and write off, against current operating revenues, any accounts which are considered to be uncollectable. A general allowance of $1,597,000 (2006 - $1,776,000) for uncollectable taxes is included in the balance of Taxes Receivable.

4. Loan Receivable

City Bylaw No. 8418 was approved by City Council in 2005 to authorize a 15 year loan in the amount of $10,550,000 from the City of Saskatoon to Saskatoon Soccer Centre Inc. for the construction of the North East Soccer Park, in Forest Park, in the city of Saskatoon. The total annual payment under the loan is shared by Saskatoon Soccer Centre Inc. and the City of Saskatoon resulting in an amount receivable from the Saskatoon Soccer Centre Inc. of $7,036,850 and a deferred grant of $3,513,150 that is amortized over the life of the loan payments. Interest is recognized as earned at 2.80% to 4.60% over the life of the loan. Security on the loan is by way of an assignment lease against the Henk Ruys Soccer Centre and the North East Soccer Park. The amount receivable and deferred grant as at the end of December 31, 2007 are $6,297,000 and $3,144,000 respectively.

5. Other Assets

(Dollars in Thousands)

	2006	2007
Deferred Charges	$ 5,968	$ 5,184
Inventory for Resale	183	182
	$ 6,151	$ 5,366

6. Investments

(Dollars in Thousands)

	Cost		Market	
	2006	2007	2006	2007
Federal, provincial, municipal, federal government agency, and corporate bonds.	$ 145,027	$ 147,790	$ 145,033	$ 148,111

Maturities are between 2008 - 2017 with effective interest rates of 4.16 percent to 5.30 percent.

7. Net Taxes Available For Municipal Purposes

(Dollars in Thousands)

	2006	2007
Taxation Revenue	$ 254,137	$ 263,505
Taxes collected on Behalf of Others:		
Saskatoon School Division No. 13	(92,217)	(94,943)
St. Paul's Roman Catholic Separate School Division No. 20	(44,386)	(44,607)
Business Improvement Districts	(578)	(637)
Net taxes available for municipal purposes	$ 116,956	$ 123,318
Comprised of:		
Municipal	112,775	119,171
Grants in Lieu of Taxes	4,181	4,147
	$ 116,956	$ 123,318

The Education Act and The Cities Act set out the manner in which collection of taxes and trailer license fees are to be submitted to the School Boards and the Business Improvement Districts. As the City is acting as agent only for the collection of such taxes, these amounts are not reflected in the Schedule of Revenue and Expenditures, nor are the Assets, Liabilities, and Fund Balances of these Boards included in the consolidated financial statements.

8. Pension Plans

The City of Saskatoon administers four employee pension plans - the General Superannuation Plan, the Police Superannuation Plan, the Fire and Protective Services Department Superannuation Plan, and the Part-Time and Seasonal Employee Superannuation Plan. Combined, these plans provide pension benefits for all eligible staff of the City. General, Police, and Fire Plans are contributory defined benefit plans. The Seasonal Plan is a defined contribution plan. In all Plans, contributions are made by Plan members and the City of Saskatoon as stipulated by pension agreements. The defined benefit plans provide for a benefit that is integrated with CPP, and is based on years of contributory service times a percentage of average earnings as defined by each plan. The Part-Time and Seasonal Employee Superannuation Plan provides a benefit based on the annuity that can be purchased with the funds in an employee's account (i.e. a money purchase plan).

The accrued pension asset reflects the three main plans – the Retirement Plan for Employees of the City of Saskatoon Board of Police Commissioners, the Retirement Plan for Employees of the Fire and Protective Services Department of the City of Saskatoon, and the General Superannuation Plan for City of Saskatoon employees not covered by the Police and Fire and Protective Services Departments' Superannuation Plans. The General Plan provides for partial inflation protection on benefits accrued to December 31, 2000. Fire and Police plans have provided for partial ad hoc indexing from time to time in the past. The latest partial increase for the Fire and General Plan took effect January 1, 2008 and for the Police Plan took effect July 1, 2007. The average age of the 2,761 employees accruing service under the Plans is 43.92. There are 40 former employees who are entitled to deferred pension benefits. At present, the Plans provide benefits for 1,311 retirees and surviving spouses; benefit payments were $32 million in 2007.

Employees make contributions of approximately 5.9 percent of salary (7.0 percent for Police Plan members) and the City (Board of Police Commissioners) contributes an equal amount. In 2007, total contributions for current service were $19 million. A separate pension fund is maintained for each Plan. Pension fund assets are invested entirely in marketable investments of organizations external to the City of Saskatoon. The pension liability at December 31 includes the following components:

(Dollars in Thousands)

	2006	2007
Accrued benefit obligation	$ (708,112)	$ (768,728)
Pension fund assets		
Marketable securities	794,078	847,613
	85,966	78,885
Unamortized actuarial gains (loss)	(7,209)	(11,173)
Accrued benefit asset	78,757	67,712
Valuation allowance	(19,288)	(2,700)
Net carrying value of accrued benefit asset	$ 59,469	$ 65,012

Actuarial valuations for accounting purposes are performed at least triennially using the projected benefit method prorated on services. The most recent valuations were prepared by AON Consulting for all three Plans as at December 31, 2006. The accrued benefit obligations shown for 2007 is based on an extrapolation of the 2006 valuations. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups applicable to each of the Plans (13.63 years on average).

8. Pension Plans (continued)

The actuarial valuations were based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The assumptions used represent the City's best estimates. The expected inflation rate is 3.5 percent (3.0 percent for the Fire Plan). The discount rate used to determine the accrued benefit obligation is 6.5 percent (6.25 percent for the General Plan).

Pension fund assets are valued using a market-related value which amortizes realized and unrealized gains and losses over a five-year period. The expected rate of return on Plan assets is 6.5 percent (6.25 percent for the General Plan). The actual rate of return on Plan assets in 2007 was 9.22 percent. The market value of assets at January 1, 2007 and December 31, 2007 was $867,563,000 and $856,982,000 respectively.

The total expenditures related to pensions in 2007 include the following components:

(Dollars in Thousands)

	2006	2007
Current period benefit cost	$ 25,567	$ 26,121
Less: Employee contributions	(8,496)	(9,598)
Plan amendments	–	9,177
Amortization of actuarial loss	3,667	190
Increase (Decrease) in valuation allowance	15,866	(16,588)
Pension expenditure	36,604	9,302
Interest cost on the average accrued benefit obligation	43,670	46,311
Expected return on average pension plan assets	(46,538)	(51,624)
Pension interest expenditure	(2,868)	(5,313)
Total expenditures related to pensions	$ 33,736	$ 3,989

The total pension expenditures related to pensions are included in the Consolidated Statement of Financial Activities.

9. Accounts Payable and Accrued Liabilities

Included in liabilities is $4,655,200 (2006 - $3,388,200) of the estimated total landfill closure and post closure care expenditures of $4,782,300. The balance is included under Reserves (Landfill Reserve). The estimated liability for these expenditures is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenditures recognized as at December 31, 2007, based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post closure care activities discounted at the City's average long-term borrowing rate of 4.34 percent.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection, and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a forty-year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill is 41.38 percent of its total estimated capacity and its estimated remaining life is 24 years. The period for post closure care is estimated to be 40 years.

10. Deferred Revenue

(Dollars in Thousands)

	2006	2007
Development Charges	$ 13,813	$ 28,188
Government Transfers	–	27,857
	$ 13,813	$ 56,045

11. Long-Term Liabilities

A) Debt

(Dollars in Thousands)

	2006	2007		
Year Repayable	Total Debt	Debenture Debt	Sinking Fund Debt	Total Debt
2007	$ 4,708	$ –	$ –	$ –
2008	5,141	4,663	949	5,612
2009	4,356	4,846	–	4,846
2010	4,538	5,049	–	5,049
2011	4,737	5,269	–	5,269
2012	4,954	5,509	–	5,509
2013	2,981	3,559	–	3,559
2014	3,108	3,711	–	3,711
2015	3,245	3,874	–	3,874
2016	908	1,565	–	1,565
2017	947	1,634	–	1,634
2018	988	1,705	–	1,705
2019	1,031	1,781	–	1,781
2020	1,077	1,862	–	1,862
2021	–	821	–	821
2022	–	859	–	859
Total Debt	42,719	46,707	949	47,656
Sinking funds accumulated to retire debt	(1,459)			(910)
Net Debt	$ 41,260			$ 46,746

Interest rates range from 2.70 percent to 10.5 percent. All long-term debt instruments have been issued in Canadian Funds.

11. Long-Term Liabilities (continued)

B) Of the total long-term liabilities of $47,656,000 (2006 - $42,719,000) the following are held by the City as long-term investments:

(Dollars in Thousands)

	2006	2007
i) Consolidated Funds	$ 1,804	$ 1,071
ii) Sinking Fund	–	–
	$ 1,804	$ 1,071

C) The regulations under The Cities Act require that individual debenture issue bylaws be submitted, reviewed, and approved by the Saskatchewan Municipal Board (SMB) with the exception that an urban municipality with a population greater than 30,000 can apply to the SMB for a debt limit. The City of Saskatoon's debt limit is $298,000,000 as approved by the SMB.

12. Employee Benefits Payable

Vacation leave is credited to employees on a monthly basis based on contractual obligations. Such credits are accumulated from the period April 1 to March 31 and may not be taken in advance. Therefore, credits earned from April 1, 2007 to December 31, 2007 would normally be available to employees after April 1, 2008.

The City operates a number of Sick Leave Benefit Plans as stipulated within agreements with the various Unions and Associations of employees. These plans are based on the accumulation of sick leave credits to a specified maximum, or are guaranteed long-term disability plans. For those Unions with accumulated sick leave plans, the employee is entitled to a cash payment under specified circumstances, including retirements, based upon a formula stipulated in the union agreements.

Employee benefits payable are recorded as financial liabilities on the Consolidated Statement of Financial Position, offset by a reduction in fund balances. The total of these liabilities is as follows:

(Dollars in Thousands)

	2006	2007
a) Vacation leave accrual	$ 12,729	$ 13,850
b) Sick leave credits	6,805	6,460
	$ 19,534	$ 20,310

13. Net Assets

(Dollars in Thousands)

	2006	2007
Fund Balances		
Funds to offset taxation or user charges in future years (Schedule 1)	$ 34,704	$ 38,615
Unexpended capital financing (Schedule 2)	105,983	97,793
Reserves (Schedule 3)	99,610	119,082
	$ 240,297	$255,490
Amounts to be Recovered		
Capital outlay financed by long-term liabilities to be recovered in future years (Note 1b(v))	$ (31,257)	$ (41,328)
Total Net Assets	$ 209,040	$ 214,162

14. Government Transfers

The following transfers have been included in revenues:

(Dollars in Thousands)

	2006	2007
Operating Transfers		
Federal	$ 584	$ 607
Provincial	18,750	22,775
	19,334	23,382
Capital Transfers		
Federal	4,381	12,757
Provincial	7,566	10,085
	11,947	22,842
	$ 31,281	$ 46,224

15. Contingencies

A) Various lawsuits and claims are pending by and against the City. It is the opinion of management that final determination of these claims will not materially affect the financial position of the City.

B) Contractual Obligations - The City of Saskatoon has not entered into any long-term contractual obligations, the recognition of which would materially affect these financial statements.

16. Property Realized Reserve

The Property Realized Reserve, which is included on Schedule 3, is reported net of all withdrawals. This practice does not recognize the value of assets for property purchased but not yet sold, or repayable advances of funds. At December 31, 2007, the gross value of the Property Realized Reserve is estimated to be $59,302,000 (2006 - $35,917,000) itemized as follows:

(Dollars in Thousands)

	2006	2007
Gross Value of Reserve, December 31	$ 35,917	$ 59,302
Advances Repayable from Future Revenue Fund Provisions	(4,935)	(9,219)
Property Purchased from Reserve and not yet re-sold (at estimated cost)	(23,149)	(33,242)
Net Balance of Reserve, December 31	$ 7,833	$ 16,841

17. Trust Funds

The City administers two trust funds, the Cemetery Perpetual Care Fund and the Group Insurance Trust Fund. The reserve balances in these trusts are $2,924,000 (2006 - $2,857,000) and $176,000 (2006 - $244,000) respectively.

18. Expenditures By Object

The following is a summary of the expenditures reported on the Consolidated Statement of Financial Activities by object of expenditures:

(Dollars in Thousands)

	2006	2007
Capital expenditures	$ 161,806	$ 203,280
Wages and benefits	180,014	166,066
Heating, lighting, power, water, and telephone	76,409	78,223
Contracted and general services	71,622	75,824
Materials, goods, and supplies	16,081	18,392
Finance charges	4,550	7,890
Donations, grants, and subsidies	5,114	5,407
	$ 515,596	$ 555,082

19. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

20. Future Accounting Policies

i) Tangible Capital Assets:

In September 2006, the CICA revised Section PS 3150, *Tangible Capital Assets*. This section establishes standards on how to account for and report tangible capital assets in government financial statements and will be applicable to financial statements for fiscal years beginning on or after January 1, 2009. This section applies to all levels of government, including local government. The impact of this section has not yet been determined.

ii) Financial Statement Concepts, Objectives, and Presentation:

In January 2007, the CICA revised Section PS 1000, *Financial Statement Concepts*, Section PS 1100, *Financial Statement Objectives* and Section PS 1200, *Financial Statement Presentation*. The revised Sections will be applicable to financial statements relating to fiscal years beginning on or after January 1, 2009. These sections will be applicable to local governments and replaces Section PS 1700, *Objective of Financial Statements - local governments*, and Section PS 1800, *General standards of financial statement presentation - local governments*. Section PS 1000 on financial statement concepts outlines the conceptual framework for accounting by governments. Section PS 1100 on financial statement objectives sets out the objectives related to government financial statements, reporting financial positions, annual results, changes in net debt and cash flows, and objectives related to legislative control and financial accountability. Section PS 1200 on presentation establishes standards for presentation and disclosure of information in government financial statements.

Schedule 1 - Schedule of Funds to Offset Taxation or User Charges in Future Years

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006	2007
Balance, Beginning of Year	$ 64,892	$ 34,704
Transfer from Revenue Stabilization Reserve	–	1,843
Transfer to Snow and Ice Management Contingency Reserve	(1,050)	–
Transfer to Access Transit Program	(166)	–
Transfer to Landfill Replacement Reserve	(240)	–
Transfer to the Municipal Enterprise Zone	(500)	–
Transfer to Canada-Saskatchewan-Saskatoon Urban Development Agreement	(500)	–
Transfer to the Western Development Museum	(250)	–
Decrease in Employee Benefit Payables	(94)	(776)
Increase (Decrease) in Accrued Pension Asset	(25,342)	5,543
Increase in Landfill Closure/Post Closure Care Liability	(203)	(1,267)
Deficit for the Year (Schedule 5)	(1,843)	(1,432)
Balance, End of Year	$ 34,704	$ 38,615

Schedule 2 - Schedule of Capital Operations

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Sources of Funds			
Province of Saskatchewan	$ 8,152	$ 9,946	$ 10,046
Saskatchewan Water Corporation	250	1,263	27
Cultural Capitals of Canada Program	30	–	1,058
Federation of Canadian Municipalities	16	–	52
Federal Gas Tax Program	3,647	250	–
Federal Transit Funding Program	–	1,875	3,434
Canada-Saskatchewan Infrastructure Program	34	–	–
Canada Strategic Infrastructure Fund	–	6,111	6,112
Government of Canada	59	–	21
Municipal Rural Infrastructure Fund	399	4,831	2,114
Taxation	1,376	2,556	1,627
Borrowing	–	35,740	–
Contributions from Developers, Benefitting Property Owners and Other Users	15,250	11,807	9,288
Appropriations			
Sinking Fund	3,000	–	–
2005 operating surplus	500	–	–
From Reserves	127,836	135,276	160,584
	160,549	209,655	194,363
Expenditures			
General Government	3,002	2,309	4,332
Protection of Persons and Property	1,799	2,738	3,063
Transportation	60,357	34,260	55,071
Environmental Health	27,553	71,040	28,711
Social and Family Services	737	–	574
Planning & Development	3,633	8,286	4,889
Recreation and Cultural Services	8,237	20,996	15,934
Property Purchases and Development	36,162	62,438	80,122
Saskatoon Light & Power Expansion and Replacements	10,302	7,588	9,857
	151,782	209,655	202,553
Increase (Decrease) in Unexpended Capital Financing	8,767		(8,190)
Unexpended Capital Financing, Beginning of Year	97,216		105,983
Unexpended Capital Financing, End of Year	$ 105,983		$ 97,793

Schedule 3 - Schedule of Reserves

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006	2007
Replacement		
Access Transit	$ 299	$ 140
Albert Community Centre	68	48
Automated Garbage Containers	297	275
Boards:		
TCU Place	(503)	(515)
Saskatoon Public Library	1,606	1,825
Mendel Art Gallery	74	116
Credit Union Centre	1,054	1,023
Buildings and Grounds Equipment	278	200
Bus Replacement	2,065	1,410
Civic Vehicles and Equipment	2,136	1,292
Saskatoon Light & Power	8,554	8,130
Computer Equipment	736	922
Fire Equipment	119	130
Fire Apparatus	700	741
Infrastructure Replacement:		
Surface Improvements	73	(1,070)
Water and Sewer Replacements	1,658	5,507
Parks	(421)	(736)
Storm Water Management	(38)	880
Landfill	374	757
Landfill - Buildings and Equipment	119	–
Leisure Services Equipment	216	264
Photocopy Machine	258	318
Police - Vehicle/Radio	494	166
Radio Trunking	75	76
Wastewater Collection/Treatment	888	374
Water Utility	3,194	3,700
Weigh Scales	181	181
Balance, End of Year	$ 24,554	$ 26,154

Schedule 3 - Schedule of Reserves (continued)

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006	2007
Future Expenditures		
Animal Services	$ 80	$ 46
Animal Trading - Zoo	65	64
Affordable Housing-Capital	99	99
Affordable Housing-Operating	3,408	3,316
Boards:		
TCU Place	86	(116)
Saskatoon Public Library	7,767	8,443
Mendel Art Gallery	179	261
Credit Union Centre	1,477	2,527
Building Permits/Inspections	1,265	2,500
Campsite	46	84
Civic Buildings Comprehensive Maintenance	3,492	3,248
Civic Hospitality	10	22
Community Support Grant	29	41
Corporate Information Systems Development	315	295
Dedicated Lands	1,552	1,854
Dedicated Roadways	1,000	1,179
Downtown Housing	160	147
Saskatoon Light & Power Distribution Extension	368	329
Saskatoon Light & Power Revenue Stabilization	1,238	1,569
Fire Department Uniforms	275	386
Forestry Farm Park Development	20	33
Forestry Farm Auditorium	6	7
General Voting	54	79
Golf Courses Capital	173	65
Heritage Fund	259	278
Holiday Park Golf Course Development	72	180
Interest Stabilization	2,521	2,521
Kinsmen Park Rides	18	–
Land Bank	2,209	(504)
Land Operations	2,173	2,663
Neighbourhood Park Enhancement	597	685
Parking Facilities	1,265	1,186
Pest Control	65	65
Police Facilities Major Repair	540	947
Police Equipment	82	550
Subtotal to next page	$ 32,965	$ 35,049

Schedule 3 - Schedule of Reserves (continued)

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006	2007
Subtotal from Previous Page	$ 32,965	$ 35,049
Planning Levy	289	406
Prepaid Services	10,770	25,988
Property Realized	7,833	16,841
Public Works Buildings	127	(2)
Reserve for Capital Expenditures	3,886	800
Revenue Stabilization	3,675	1,832
Sinking Fund	601	623
Special Events	(68)	89
Spectator Ball Fields	8	8
Sports Participation	65	65
Storm Water Management Utility Stabilization	566	635
Streetscape	986	817
Sundry	6,082	7,054
Traffic Noise Attenuation	10	21
Traffic Safety	(43)	(57)
Transit Capital	399	171
Transit Stabilization	242	-
Transportation Infrastructure Expansion	119	1
Urban Development Agreement Reserve	610	256
Vehicle and Equipment Acquisition	285	349
Waste Minimization	35	100
Wastewater Collection/Treatment Capital	1,624	(1,340)
Water and Wastewater Utility Stabilization	1,791	1,809
Water Capital Projects	2,199	1,413
Balance, End of Year	$ 75,056	$ 92,928
Total Reserves, End of Year	$ 99,610	$ 119,082

Schedule 4 - Schedule of Financial Activities by Segment

For the Year Ended December 31, 2007 (in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Total City of Saskatoon	Library	Mendel	TCU Place	Credit Union Centre	Consolidation Adjustments	Total Consolidated 2007
Revenues											
Taxation	$ 107,062	$ –	$ 1,627	$ –	**$ 108,689**	$ 11,960	$ –	$ –	$ –	$ (1,478)	**$ 119,171**
Grants in Lieu of Taxes	24,905	–	–	–	**24,905**	–	–	–	–	(20,758)	**4,147**
User Charges	19,346	210,082	–	213	**229,641**	397	408	8,951	13,496	(32,885)	**220,008**
Federation of Canadian Municipalities	–	–	52	–	**52**	–	–	–	–	–	**52**
General Services Operating Allowance	–	–	–	–	**–**	–	1,583	520	–	(2,103)	**–**
Government Transfers (Note 14)	22,262	–	18,249	4,563	**45,074**	595	525	–	–	30	**46,224**
Investment Income	9,766	–	–	–	**9,766**	–	–	74	229	688	**10,757**
Contribution from Developers	–	–	11,615	557	**12,172**	–	–	–	–	93,966	**106,138**
Other	49,571	–	–	–	**49,571**	–	6	–	–	4,130	**53,707**
Appropriations:											
From Reserves	–	–	133,999	32,888	**166,887**	–	–	–	–	(166,887)	**–**
Total Revenues	232,912	210,082	165,542	38,221	**646,757**	12,952	2,522	9,545	13,725	(125,297)	**560,204**
Expenditures											
General Government	30,830	–	4,240	–	**35,070**	–	–	–	–	(10,468)	**24,602**
Protection of Persons and Property	95,737	–	2,998	–	**98,735**	–	–	–	–	(4,065)	**94,670**
Transportation	49,140	28,018	46,939	6,974	**131,071**	–	–	–	–	(29,066)	**102,005**
Environmental Health	9,241	56,753	10,373	17,731	**94,098**	–	–	–	–	(28,256)	**65,842**
Social and Family Services	1,906	–	562	–	**2,468**	–	–	–	–	(39)	**2,429**
Planning & Development	15,996	–	4,786	–	**20,782**	–	–	–	–	(770)	**20,012**
Recreation and Cultural Services	30,400	–	21,983	–	**52,383**	12,678	2,502	9,354	13,435	(9,777)	**80,575**
Property Purchases and Development	–	–	75,123	–	**75,123**	–	–	–	–	–	**75,123**
Saskatoon Light & Power	–	98,550	–	9,649	**108,199**	–	–	–	–	(25,103)	**83,096**
Debt Servicing Costs	3,623	4,817	–	–	**8,440**	–	–	–	–	(1,712)	**6,728**
Total Expenditures	236,873	188,138	167,004	34,354	**626,369**	12,678	2,502	9,354	13,435	(109,256)	**555,082**
Excess (Deficiency) of Revenues over Expenditures	$ (3,961)	$ 21,944	$ (1,462)	$ 3,867	**$ 20,388**	$ 274	$ 20	$ 191	$ 290	$(16,041)	**$ 5,122**

Schedule 5 - Schedule of Revenues and Expenditures

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Revenues			
Taxation	$ 101,104	$ 107,441	$ 107,062
Grants in Lieu of Taxes	22,646	24,934	24,905
Services Provided to Other Governments	807	792	828
Sale of Services	18,748	19,676	21,070
Other Revenue from Own Sources	34,178	35,458	37,355
Transfers from Other Governments	18,219	21,969	22,262
Other Transactions	17,448	19,432	19,430
Total Revenues for the Year (Appendix 1)	213,150	229,702	232,912
Expenditures			
General Government	29,939	31,152	31,496
Protection of Persons and Property	82,063	88,708	89,804
Transportation	44,865	48,021	50,202
Environmental Health	6,556	7,099	8,146
Social and Family Services	1,922	1,972	1,947
Planning and Development	14,899	15,806	16,342
Recreation and Cultural Services	29,795	31,594	31,058
Debt Servicing Costs	4,954	5,350	5,349
Total Expenditures for the Year (Appendix 2)	214,993	229,702	234,344
Deficit	$ (1,843)	$ –	$ (1,432)

Appendix 1 - *Schedule of Revenues*

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Taxation			
Property Levy	$ 100,414	$ 106,737	$ 106,656
Local Improvements Levy	63	40	40
Municipal Services Agreement	106	107	108
Trailer Occupancy	82	75	74
Amusement	532	580	415
Tax Discounts	(45)	(50)	(82)
Contribution to Capital	(48)	(48)	(149)
	101,104	107,441	107,062
Grants in Lieu of Taxes			
Senior Governments and Agencies	4,181	4,250	4,146
Land Bank	25	30	82
Own Utilities:			
Water	2,575	2,741	2,725
Saskatoon Light & Power	14,935	15,693	15,769
Transit	118	121	121
Wastewater	812	2,099	2,062
	22,646	24,934	24,905
Services Provided to Other Governments			
R.M. of Corman Park	60	60	60
Provincial Government	747	732	768
	807	792	828

Appendix 1 - Schedule of Revenues (continued)

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Sale of Services			
Legal Fees	$ 129	$ 143	$ 132
Tax Searches and Enforcement	175	170	215
Police	851	821	974
Fire	106	42	172
Engineering	38	32	29
Parking	2,985	2,890	3,186
Solid Waste Management	2,258	2,590	3,435
Environmental Protection	115	76	296
Transportation	146	134	157
Cemetery	637	770	693
Planning	264	266	302
Tourist Campsite	265	257	322
Forestry Farm Park	408	380	428
Kinsmen Park Rides	143	214	149
Albert Community Centre	123	125	131
Marr Residence	2	1	1
Swimming Pools	287	297	294
Golf Courses	2,197	2,555	2,355
Skating Rinks	1,480	1,570	1,569
Recreation/Competitive Facilities:			
Rentals	2,935	2,917	2,926
Programming	3,006	3,191	3,076
Ball Fields	17	33	34
Outdoor Sports Fields	181	202	194
	18,748	19,676	21,070
Other Revenue from Own Sources			
Licenses and Permits	3,112	2,726	4,377
Fines and Penalties	4,195	4,790	4,641
Automated Enforcement Fines	554	732	692
Property Rentals	731	703	744
Franchise Fees	15,229	15,719	16,044
Interest Earnings	9,025	9,420	9,766
Tax Penalties	1,198	1,200	1,001
Other Revenue	134	168	90
	34,178	35,458	37,355

Appendix 1 - Schedule of Revenues (continued)

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Transfers from Other Governments			
Federal:			
Employment	$ 6	$ 7	$ –
Police - Special Programs	264	179	285
Community Development	60	63	72
City Clerk's - Special Programs	–	2	5
Provincial:			
Revenue Sharing	14,371	17,776	17,776
West Nile Virus Control	265	–	262
Police - Special Programs	2,501	3,155	3,092
Fire - Special Programs	79	78	78
Access Transit	575	594	578
Community Development	70	95	92
Heritage	8	–	–
Dutch Elm Disease	20	20	22
	18,219	21,969	22,262
Other Transactions			
Own Utilities Surplus:			
Saskatoon Light & Power (Appendix 6)	15,582	17,499	17,499
Administration Recovery	1,805	1,847	1,847
Other	61	86	84
	17,448	19,432	19,430
Total Revenue	$ 213,150	$ 229,702	$ 232,912

Appendix 2 - Schedule of Expenditures

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
General Government			
Legislative	$ 843	$ 1,034	$ 940
Administrative	6,298	6,466	6,701
Financial	5,108	4,814	4,538
Assessment	2,588	2,653	2,546
Common Services	13,407	14,710	14,453
General Payroll Costs	889	817	1,150
Other	393	–	532
Grants	50	50	50
Tax Abatements	359	605	583
Local Improvement Tax on Exempt Property	4	3	3
	29,939	31,152	31,496
Protection of Persons and Property			
Police	50,236	54,859	54,349
Province of Saskatchewan - Court Costs	955	1,033	996
Automated Enforcement	561	732	692
Fire	26,271	28,660	28,330
Emergency Measures	147	177	149
Inspections	2,289	1,910	3,565
Animal and Pest Control	1,604	1,337	1,723
	82,063	88,708	89,804
Transportation			
Engineering	2,235	2,427	2,164
Roads and Streets	2,633	3,442	3,249
Drainage and Snow Removal	5,081	4,559	5,811
Street Cleaning	1,504	1,504	1,744
Bridges, Crossings and Subways	384	500	412
Street Lighting	3,719	3,998	4,115
Transportation Services	11,221	11,681	11,740
Parking	2,687	2,731	2,841
Access Transit	2,179	2,373	2,417
Transit Operations (Appendix 7)	13,222	14,806	15,709
	44,865	48,021	50,202

Appendix 2 - Schedule of Expenditures (continued)

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Environmental Health			
Waste Collection and Disposal	$ 5,830	$ 6,311	$ 7,195
Environmental Protection	726	788	951
	6,556	7,099	8,146
Social and Family Services			
Cemetery	867	910	906
Burial of Indigents	27	25	31
Social Housing	147	111	93
White Buffalo Youth Lodge	105	105	105
Safer City	29	31	25
Detoxification Centre	100	100	100
Grants	647	690	687
	1,922	1,972	1,947
Planning and Development			
Planning	2,806	3,185	3,249
Buildings and Grounds Maintenance	9,484	9,991	10,256
Tourist Campsite	265	257	322
Tourism Saskatoon	354	358	358
Economic Development	1,220	1,171	1,384
Meewasin Valley Authority	625	640	640
Business Improvement Districts	90	86	86
Urban Design	55	118	47
	14,899	15,806	16,342

Appendix 2 - Schedule of Expenditures (continued)

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Recreational and Cultural Services			
Administration	$ 1,873	$ 1,963	$ 1,938
Forestry Farm Park	1,623	1,719	1,672
Community Services	2,406	2,499	2,484
Kinsmen Park Rides	143	214	157
Albert Community Centre	185	216	194
Marr Residence	13	19	14
Swimming Pools	1,605	1,748	1,704
Golf Courses	2,512	2,555	2,401
Skating Rinks	1,709	1,843	1,841
Recreation/Competitive Facilities			
Rentals	5,823	6,222	6,248
Programming	4,715	4,877	4,781
Ball Fields	203	230	223
Outdoor Sports Fields	281	295	295
Boards			
Credit Union Centre	545	559	559
TCU Place	1,323	1,278	1,302
Mendel Art Gallery	1,606	1,715	1,715
Building Maintenance	603	729	626
Program Development	1,256	1,410	1,401
Subsidy - Minor Sports	1,037	1,119	1,119
Wanuskewin Heritage Park	184	184	184
Special Events	150	200	200
	29,795	31,594	31,058
Debt Servicing			
Debt Charges	4,310	4,486	4,487
Interest Paid to Utilities	494	707	707
Banking Services	150	157	155
	4,954	5,350	5,349
Total Expenditures	$ 214,993	$ 229,702	$ 234,344

Appendix 3 - Water Utility
Statement of Revenues and Expenditures

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Revenues			
Metered	$ 29,136	$ 31,001	$ 30,812
Infrastructure Levy	3,218	3,433	3,405
Miscellaneous	114	116	129
Fire Protection Charge	603	603	602
Late Payment Penalties	134	128	141
	33,205	35,281	35,089
Expenditures			
General	5,356	5,621	6,003
Treatment and Pumping	6,467	6,647	7,036
Buildings and Grounds	451	515	433
Meters	1,025	1,102	1,011
Watermains	4,353	4,674	4,771
Hydrants	540	689	551
Services	1,570	1,459	1,628
Contribution to Capital Reserves	10,758	8,819	8,769
Debt Charges	3,208	5,755	5,755
	33,728	35,281	35,957
Deficit Before Transfer from Reserve	(523)	–	(868)
Transfer from Stabilization Reserve	523	–	868
Surplus (Deficit)	$ –	$ –	$ –

Appendix 4 - Wastewater Utility
Statement of Revenues and Expenditures

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Revenues			
Metered	$ 20,765	$ 22,592	$ 22,209
Infrastructure Levy	4,443	4,741	4,702
Flood Protection Levy	1,824	2,100	2,211
Late Payment Penalties	89	85	94
Miscellaneous Revenue	496	584	603
	27,617	30,102	29,819
Expenditures			
General	2,900	4,214	4,653
Lift Stations	775	861	892
Pollution Control Plant	4,476	5,173	4,859
Sludge Handling & Disposal	1,517	1,646	1,826
Sewer Engineering	290	325	317
Sewer Inspections	298	338	219
Sewer Maintenance	2,242	2,518	1,635
Service Connections	1,359	1,853	1,306
Contribution to Capital Reserves	11,802	12,001	12,053
Debt Charges	1,385	1,173	1,174
	27,044	30,102	28,934
Surplus Before Transfer to Reserve	573	–	885
Transfer to Stabilization Reserve	(573)	–	(885)
Surplus (Deficit)	$ –	$ –	$ –

Appendix 5 - Storm Water Management Utility
Statement of Revenues and Expenditures

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Revenues			
Metered	$ 2,479	$ 2,525	$ 2,503
Late Payment Penalties	9	9	10
	2,488	2,534	2,513
Expenditures			
General	184	247	220
Storm Sewer Engineering	157	181	196
Storm Sewer Maintenance	660	733	626
Drainage	369	334	363
Contribution to Capital Reserves	1,106	1,039	1,039
	2,476	2,534	2,444
Surplus Before Transfer to Reserve	12	–	69
Transfer to Stabilization Reserve	(12)	–	(69)
Surplus (Deficit)	$ –	$ –	$ –

Appendix 6 - Saskatoon Light & Power Utility
Statement of Revenues and Expenditures

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Revenues			
Metered Revenue	$ 99,547	$ 104,592	$ 105,107
Municipal Surcharge	9,954	10,459	10,510
Service Connection Fees	506	512	490
Miscellaneous	353	349	391
Tax Collection Commission	2	2	2
Late Payment Penalties	223	213	235
	110,585	116,127	116,735
Expenditures			
General	18,346	19,375	19,666
Power Purchased	62,952	65,490	64,208
Buildings and Grounds	472	483	623
Poles, Lines and Feeders	2,327	3,012	2,984
Substations	652	668	335
Street Lighting	855	732	1,042
Meters	864	932	945
System Operations	105	94	99
Provision for Capital Extension	1,934	1,414	1,364
Provision for Capital Replacement	6,125	6,428	6,479
	94,632	98,628	97,745
Surplus Before Transfer to Reserve	15,953	17,499	18,990
Transfer to Stabilization Reserve	(371)	-	(1,491)
Surplus	$ 15,582	$ 17,499	$ 17,499

Appendix 7 - Transit Utility
Statement of Revenues and Expenditures

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Actual	2007 Budget (unaudited)	2007 Actual
Revenues			
Mail Carriers	$ 32	$ 26	$ 18
Passes	4,419	4,290	4,474
Cash Fares	2,072	2,136	1,997
Ticket Sales	1,807	2,074	1,717
Charter	769	851	767
Senior Citizens Passes	338	349	324
General Services Operating Allowance	13,222	14,806	14,806
Advertising	298	297	314
Province of Saskatchewan	82	366	606
	23,039	25,195	25,023
Expenditures			
General	1,683	1,678	1,798
Transportation			
Planning	192	375	322
Operating	13,523	11,447	12,005
Supervision	1,165	1,283	1,240
Customer Services	631	552	612
Equipment Servicing	2,969	6,610	6,902
Equipment Repair	336	485	548
Stores	97	108	114
Buildings	880	909	879
Contribution to Capital Reserves	2,300	1,748	1,748
	23,776	25,195	26,168
Deficit Before Transfer from Reserve	(737)	–	(1,145)
Transfer from Stabilization Reserve	737	–	242
Deficit	$ –	$ –	$ (903)

Trust Funds

City of Saskatoon Saskatchewan Canada

Auditor's Report

Deloitte & Touche LLP Chartered Accountants

His Worship the Mayor and City Council:

We have audited the Balance Sheet of the Trust Funds of the City of Saskatoon as at December 31, 2007 and the Statement of Changes in Net Assets for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the City of Saskatoon as at December 31, 2007 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Saskatoon, Saskatchewan

April 11, 2008

Trust Funds - Balance Sheet

As at December 31, 2007 (in thousands of dollars)

	2006 Total	2007 Cemetery Perpetual Care	2007 Group Insurance Trust	2007 Total
Assets				
Cash and Cash Equivalents	$ 286	$ 249	$ 174	$ 423
Accounts Receivable	29	4	–	4
Accrued Interest	29	27	2	29
Investments (Note 2)	2,820	2,671	–	2,671
	$ 3,164	$ 2,951	$ 176	$ 3,127
Liabilities and Net Assets				
Accounts Payable	$ 63	$ 27	$ –	$ 27
Net Assets	3,101	2,924	176	3,100
	$ 3,164	$ 2,951	$ 176	$ 3,127

See accompanying notes.

Trust Funds - Statement of Changes in Net Assets

For the Year Ended December 31, 2007 (in thousands of dollars)

	2006 Total	2007 Cemetery Perpetual Care	2007 Group Insurance Trust	2007 Total
Increases in Assets				
Sale of Cemetery Plots	$ 69	$ 68	$ –	$ 68
Interest Earned	153	142	10	152
	222	210	10	220
Decreases in Assets				
Transfer to Revenue Fund	252	143	78	221
	252	143	78	221
Increase (Decrease) in Net Assets	(30)	67	(68)	(1)
Net Assets at Beginning of Year	3,131	2,857	244	3,101
Net Assets at End of Year	$ 3,101	$ 2,924	$ 176	$ 3,100

See accompanying notes.

Trust Funds - *Notes to the Financial Statements (Trust Funds)*

For the Year Ended December 31, 2007

1. Accounting Policies

Basis of Accounting

The Trust Funds operate on the accrual basis of accounting. Any interest earned but not received as at December 31 has been recorded in Accrued Interest.

2. Investments

The total of investments of $2,671,000 (2006 - $2,820,000) recorded on the Balance Sheet at cost, have a market value of $2,874,000 (2006 - $3,057,000) at December 31. Investments consist of provincial promissory notes and federal, provincial, municipal government, and corporate bonds with an effective interest rate ranging from 1.96 percent to 5.02 percent.

3. Fund Purpose

A) Group Insurance Trust Fund

Premiums are shared equally between the employer and the employee. Surpluses are generated when premiums exceed administration charges and claims payments by the carrier. A portion of the accumulated funds are used to reduce both the employer's and employee's premiums.

In the event of a surplus, under the terms of the Underwriting Agreement, the claims Fluctuation Reserve held by the Group Insurance Trust Fund for 2007 must be at least 25 percent of premiums paid, or $225,200.

B) Cemetery Perpetual Care Trust Fund

The Perpetual Care Fund is intended to provide the necessary annual funding for the maintenance services to the cemetery in perpetuity.

Statistics

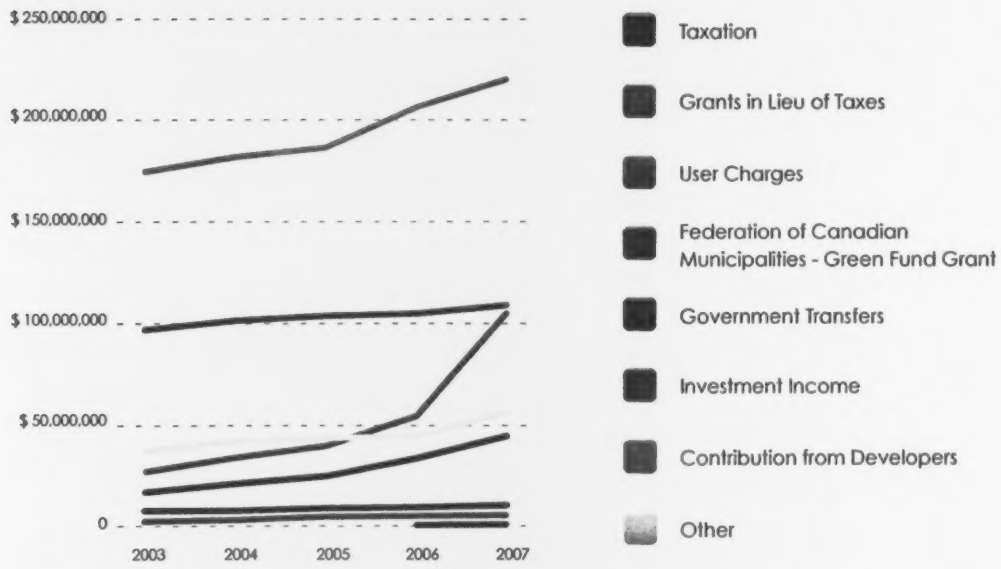
City of Saskatoon Saskatchewan Canada

Consolidated Revenues and Expenditures

For the Years 2003 to 2007 (in thousands of dollars)

Consolidated Revenues	2003	2004	2005	2006	2007
Taxation	$ 97,684	$ 103,055	$ 109,133	$ 112,775	$ 119,171
Grants in Lieu of Taxes	3,705	3,753	4,154	4,181	4,147
User Charges	172,755	181,696	186,602	205,392	220,008
Federation of Canadian Municipalities - Green Fund Grant	–	–	–	16	52
Government Transfers (Note 14)	15,761	18,889	22,934	31,281	46,224
Investment Income	9,836	9,030	10,804	10,007	10,757
Contribution from Developers	26,829	29,980	36,588	55,617	106,138
Other	42,841	45,244	46,795	47,538	53,707
Total Revenues	$ 369,411	$ 391,647	$ 417,010	$ 466,807	$ 560,204

Consolidated Revenues

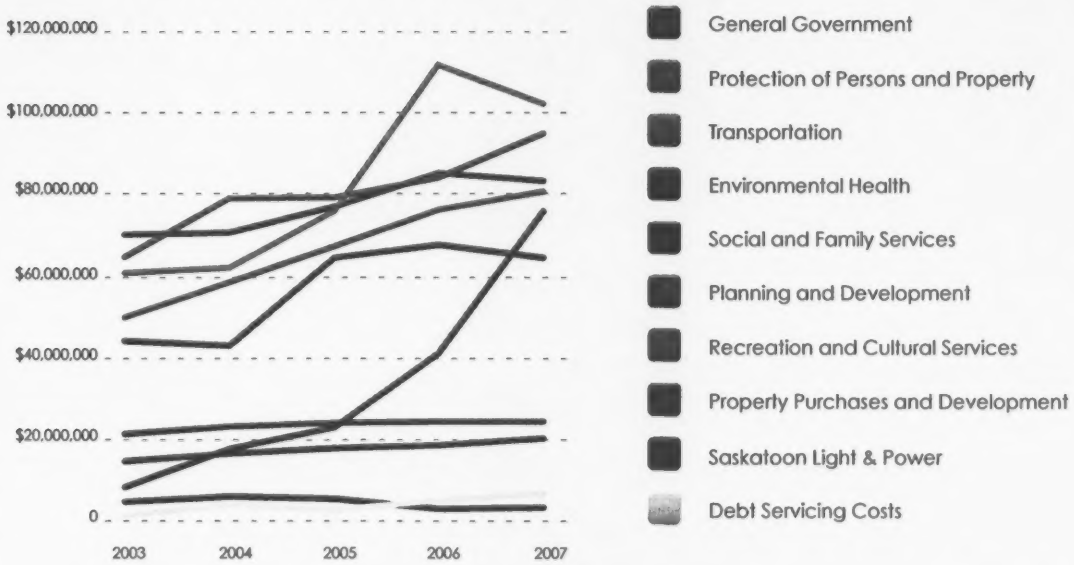


Consolidated Revenues and Expenditures (continued)

For the Years 2003 to 2007 (in thousands of dollars)

Consolidated Expenditures	2003	2004	2005	2006	2007
General Government	$ 21,390	$ 23,160	$ 24,024	$ 24,507	$ 24,602
Protection of Persons and Property	65,313	79,037	79,332	83,179	94,670
Transportation	61,325	62,085	78,460	113,864	102,005
Environmental Health	46,692	44,022	63,191	67,986	65,842
Social and Family Services	4,268	5,034	4,315	2,140	2,429
Planning and Development	15,262	16,917	17,406	18,715	20,012
Recreation and Cultural Services	49,152	59,358	66,684	74,130	80,575
Property Purchases and Development	9,351	18,826	23,370	41,807	75,123
Saskatoon Light & Power	71,312	71,427	77,818	85,186	83,096
Debt Servicing Costs	2,650	4,259	3,896	4,082	6,728
Total Expenditures	$ 346,715	$ 384,125	$ 438,496	$ 515,596	$ 555,082
Excess (Deficiency) of Revenues over Expenditures	$ 22,696	$ 7,522	$ (21,486)	$ (48,789)	$ 5,122

Consolidated Expenditures



Summary of Revenues

For the Years 2003 to 2007

- 46.0% Taxation
- 16.0% Other Revenue from Own Sources
- 10.7% Grants in Lieu of Taxes
- 9.6% Transfer from Other Governments
- 9.0% Sale of Services
- 8.3% Other Transactions
- 0.4% Services Provided to Other Governments

	2003	2004	2005	2006	2007
Taxation	$ 86,996	$ 92,013	$ 97,795	$ 101,104	**$ 107,062**
Grants in Lieu of Taxes	19,769	20,004	21,332	22,646	**24,905**
Services Provided to Other Governments	1,477	1,261	803	807	**828**
Sale of Services	16,977	17,932	18,461	18,748	**21,070**
Other Revenue from Own Sources	30,501	30,956	33,803	34,178	**37,355**
Transfer from Other Governments	11,024	13,586	13,462	18,219	**22,262**
Other Transactions	17,330	17,136	17,808	17,448	**19,430**
	$ 184,074	$ 192,888	$ 203,464	$ 213,150	**$ 232,912**

Summary of Expenditures

For the Years 2003 to 2007

- 38.3% Protection of Persons and Property
- 21.4% Transportation
- 13.4% General Government
- 13.3% Recreation and Cultural Services
- 7.0% Planning and Development
- 3.5% Environmental Health
- 2.3% Debt Servicing Costs
- 0.8% Social and Family Services

	2003	2004	2005	2006	2007
General Government	$ 25,017	$ 25,738	$ 27,995	$ 29,939	$ 31,496
Protection of Persons and Property	67,216	72,116	75,676	82,063	89,804
Transportation	38,418	38,887	40,543	44,865	50,202
Environmental Health	5,412	6,054	6,265	6,556	8,146
Social and Family Services	4,071	3,946	3,761	1,922	1,947
Planning and Development	13,047	13,491	13,846	14,899	16,342
Recreation and Cultural Services	26,456	27,072	28,178	29,795	31,058
Debt Servicing Costs	3,259	4,249	4,494	4,954	5,349
	$ 182,896	$ 191,553	$ 200,758	$ 214,993	$ 234,344

Summary of Capital Operations

For the Years 2003 to 2007 (in thousands of dollars)

	2003	2004	2005	2006	2007
Sources of Funds					
Canada/Saskatchewan Infrastructure Program	$ 2,440	$ 3,730	$ 5,225	$ 34	$ –
Canada Strategic Infrastructure Program	–	–	–	–	6,112
Cultural Capitals of Canada Program	–	–	–	30	1,058
Government of Canada	298	–	–	59	21
Federal Gas Tax Program	–	–	–	3,647	–
Federation of Canadian Municipalities - Green Fund Grant	–	–	–	16	52
Federal Transit Funding Program	–	–	–	–	3,434
Municipal Rural Infrastructure Funding	–	–	1,502	399	2,114
Transport Canada	230	82	137	–	–
Saskatchewan Water Corporation	–	–	23	250	27
Province of Saskatchewan	588	385	358	8,152	10,046
Taxation	300	225	50	1,376	1,627
Debentures	–	–	21,841	–	–
Contribution from Developers, Benefitting Property Owners & Other Users	4,744	5,558	5,820	15,250	9,288
Appropriations					
Sinking Fund	–	–	–	3,000	–
2004 operating surplus	–	–	100	–	–
2005 operating surplus	–	–	–	500	–
Reserves	57,690	80,708	97,903	127,836	160,584
	66,290	90,688	132,959	160,549	194,363
Application of Funds					
General Government	4,101	4,176	4,033	3,002	4,332
Protection of Persons and Property	1,189	1,618	1,688	1,799	3,063
Transportation	24,113	23,250	35,711	60,357	55,071
Environmental Services	16,217	11,568	26,308	27,553	28,711
Social and Family Services	288	1,234	541	737	574
Planning & Development	2,747	3,749	3,597	3,633	4,889
Recreation and Cultural Services	3,483	4,017	6,373	8,237	15,934
Property Purchases and Development	13,095	15,672	24,000	36,162	80,122
Saskatoon Light & Power Expansion and Replacement	7,308	8,699	9,431	10,302	9,857
	72,541	73,983	111,682	151,782	202,553
Unexpended Capital Financing, Beginning of Year	65,485	59,234	75,939	97,216	105,983
Unexpended Capital Financing, End of Year	$ 59,234	$ 75,939	$ 97,216	$ 105,983	$ 97,793

Consolidated Summary of Expenditures (by object code)

For the Years 2004 to 2007 (in thousands of dollars)

	Wage and Benefits	Contracted and General Services	Donations, Grants, Subsidies	Heating, Light, Power, Water, Telephone	Materials, Goods, Supplies	Finance Charges	Capital Expenditures	Total
General Government	$ 15,916	$ 2,761	$ 712	$ 152	$ 696	$ 15	$ 4,350	$ 24,602
Protection of Persons and Property	77,324	12,550	136	467	1,055	8	3,130	$ 94,670
Transportation	24,920	12,737	–	4,475	4,743	18	55,112	$ 102,005
Environmental Health	13,748	17,486	–	3,639	3,257	–	27,712	$ 65,842
Social and Family Services	320	620	720	48	145	2	574	$ 2,429
Planning & Development	7,573	4,188	1,699	930	635	10	4,977	$ 20,012
Recreation and Cultural Services	22,669	21,119	2,140	4,057	7,062	1,109	22,419	$ 80,575
Property Purchases & Development	–	–	–	–	–	–	75,123	$ 75,123
Saskatoon Light & Power	3,596	4,363	–	64,455	799	–	9,883	$ 83,096
Debt Servicing Costs	–	–	–	–	–	6,728	–	$ 6,728
Total 2007	$ 166,066	$ 75,824	$ 5,407	$ 78,223	$ 18,392	$ 7,890	$ 203,280	$ 555,082
Total 2006	$ 180,014	$ 71,622	$ 5,114	$ 76,409	$ 16,081	$ 4,550	$ 161,806	$ 515,596
Total 2005	$ 160,665	$ 65,105	$ 4,507	$ 69,690	$ 15,619	$ 4,268	$ 118,642	$ 438,496
Total 2004	$ 152,643	$ 63,665	$ 4,085	$ 66,594	$ 13,247	$ 4,713	$ 79,178	$ 384,125

Summary of Public Utilities Operating Results

For the Years 2003 to 2007 (in thousands of dollars)

	2003	2004	2005	2006	2007
Net surplus after deducting operating expenses, debt charges and contributions to reserves:					
Water	$ –	$ –	$ –	$ –	$ –
Wastewater	–	–	–	–	–
Storm Water Management	–	–	–	–	–
Saskatoon Light & Power	15,649	15,407	15,999	15,582	17,499
Transit System (before contribution from General Revenue)	(11,411)	(11,680)	(12,465)	(13,222)	(15,709)
Net Surplus	$ 4,238	$ 3,727	$ 3,534	$ 2,360	$ 1,790
Amount contributed by Utilities to Revenue as grant in lieu of taxes	$ 16,064	$ 16,203	$ 17,169	$ 18,440	$ 20,677

Summary of Reserves and Surplus

For the Years 2003 to 2007 (in thousands of dollars)

Reserves	2003	2004	2005	2006	2007
Property realized	$ 26,667	$ 21,907	$ 19,906	$ 7,833	$ 16,841
Replacement	28,274	30,896	27,994	24,554	26,154
Future expenditures	91,047	88,170	81,691	67,223	76,087
Surplus (Deficit)	1,178	1,335	2,706	(1,843)	(1,432)
	$ 147,166	$ 142,308	$ 132,297	$ 97,767	$ 117,650

Summary of Debenture Debt and Required Sinking Fund Consolidation of All Obligations

For the Years 2003 to 2007

	2003	2004	2005	2006	2007
Total Debenture Debt	$ 29,892,732	$ 23,192,246	$ 48,125,223	$ 42,719,327	$ 47,656,006
Less Sinking Fund	3,107,228	3,064,218	2,689,183	1,459,273	910,144
Net Debt	$ 26,785,504	$ 20,128,028	$ 45,436,040	$ 41,260,054	$ 46,745,862
Population Estimate at Dec. 31 (1)	205,300	205,900	206,500	207,200	208,300
Gross Debt Per Capita	$ 146	$ 113	$ 233	$ 206	$ 229
Net Debt Per Capita	$ 130	$ 98	$ 220	$ 199	$ 224
Mill Rate Supported Debt	$ 76	$ 69	$ 121	$ 110	$ 145
Legal Debt Limit	$ 298,000,000	$ 298,000,000	$ 298,000,000	$ 298,000,000	$ 298,000,000
Debt servicing costs as a percentage of total expenditures	0.76%	1.11%	0.89%	0.79%	1.21%

(1) Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Summary of Debenture Debt and Required Sinking Fund By Responsibility Centre

For the Years 2003 to 2007

	2006	Sinking Fund At Dec. 31/06	2007	Sinking Fund At Dec. 31/07
Waterworks Utility	$ 10,473,238	$ 1,038,391	$ 9,095,706	$ 637,668
Wastewater Utility	8,933,171	(24,969)	8,071,751	(27,275)
Local Improvements - Property Share (1)	506,663	457,041	325,294	311,973
Total Debt Not Supported by Civic Mill Rate	$ 19,913,072	$ 1,470,463	$ 17,492,751	$ 922,366
Total Civic Mill Rate Debt	$ 22,806,255	$ (11,190)	$ 30,163,255	$ (12,222)
Total Debenture Debt	$ 42,719,327		$ 47,656,006	
Total Sinking Fund	(1,459,273)		(910,144)	
Net Debt (2)	$ 41,260,054		$ 46,745,862	
Population Estimate at Dec. 31 (3)	207,200		208,300	
Gross Debt Per Capita	$206		$229	
Net Debt Per Capita	$199		$224	
Mill Rate Supported Debt	$110		$145	

(1) Including City share of Water and Wastewater Local Improvements.
(2) All figures are based on book values and have not been adjusted for foreign currency exchange.
(3) Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Debentures Maturing With Percentages

As at December 31, 2007

Year	Debentures Maturing	Percentage Yearly	Percentage Reduction Accumulated
2008	$ 5,612,006	11.8%	11.8%
2009	4,846,000	10.2%	22.0%
2010	5,049,000	10.6%	32.6%
2011	5,269,000	11.1%	43.7%
2012	5,509,000	11.6%	55.3%
2013	3,559,000	7.5%	62.8%
2014	3,711,000	7.8%	70.6%
2015	3,874,000	8.1%	78.7%
2016	1,565,000	3.3%	82.0%
2017	1,634,000	3.4%	85.4%
2018	1,705,000	3.6%	89.0%
2019	1,781,000	3.7%	92.7%
2020	1,862,000	3.9%	96.6%
2021	821,000	1.6%	98.2%
2022	859,000	1.8%	100.0%
	$ 47,656,006	100%	

Summary of Property Assessment and Tax Levy

For the Years 2003 to 2007

	2003	2004	2005*	2006	2007
Gross Assessment	$ 8,829,707,519	$ 8,944,970,489	$ 10,179,196,988	$ 10,362,452,800	$ 10,535,989,990
Exemptions	2,131,792,805	2,136,589,287	2,377,784,262	2,357,374,005	2,380,698,125
Assessed Value for Taxation	$ 6,697,914,714	$ 6,808,381,202	$ 7,801,412,726	$ 8,005,078,795	$ 8,155,291,865
	Mills	Mills	Mills	Mills	Mills
Tax Rate:					
General	12.9327	13.3512	12.2731	12.4469	12.9780
Library	1.5579	1.5819	1.4235	1.4325	1.4538
Education:					
Public Board/Separate Board	18.2200	18.8400	17.1000	17.5800	18.0700
Total	32.7106	33.7731	30.7966	31.4594	32.5018
	$ 228,018,905	$ 238,184,852	$ 252,138,323	$ 262,932,568	$ 274,647,071
Property Roll Collections:					
Current	$ 223,544,797	$ 234,268,076	$ 240,523,030	$ 250,106,925	$ 260,549,795
Arrears	5,946,134	7,229,023	6,554,429	7,409,207	6,383,337
Total Collected	$ 229,490,931	$ 241,497,099	$ 247,077,459	$ 257,516,132	$ 266,933,132
Percentage of Levy Collected:					
Current	96.76%	97.34%	94.34%	94.54%	93.89%
Current and Arrears	95.87%	96.69%	93.72%	93.33%	93.62%
Taxes Outstanding:					
Current	$ 6,196,488	$ 6,532,495	$ 5,912,631	$ 5,212,455	$ 3,835,898
Arrears	3,021,481	2,425,158	3,142,864	2,393,853	1,924,893
Net Outstanding	$ 9,217,969	$ 8,957,653	$ 9,055,495	$ 7,606,308	$ 5,760,791

* Reassessment

Economic Highlights

Saskatoon Economic Statistics

For the Years 2003 to 2007

	2003	2004	2005	2006	2007
Saskatoon population (December 31)*:	205,300	205,900	206,500	207,200	**208,300**
Annual change	+0.35%	+0.30%	+0.30%	+0.33%	**+.53%**
Saskatoon inflation rate - annual average	2.2%	2.1%	2.3%	2.1%	**3.4%**
Saskatoon unemployment rate - annual average	7.6%	8.0%	6.6%	5.9%	**5.7%**
No. of Persons Employed in Saskatoon	121,200	122,200	126,400	128,000	**135,500**
Saskatoon building permits:					
Total number	2,345	2,481	2,444	2,709	**3,672**
Total value ($Millions)	$ 231.6	$ 217.5	$ 276.6	$ 323.4	$ **549.4**
Annual change	-7.36%	-6.10%	+27.2%	+16.9%	**+69.9%**

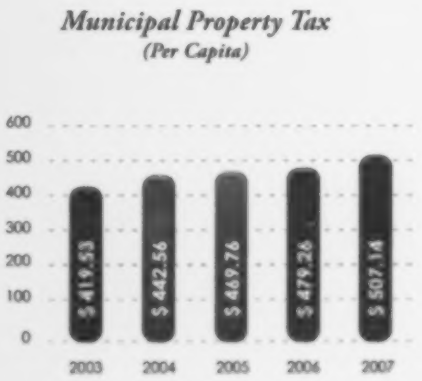
* Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Sources of Information:
Statistics Canada
City of Saskatoon - Planning Branch, Community Services Department

Major Taxpayers in Saskatoon

2007 Taxable Assessment (in thousands ofdollars)

Centre At Circle & Eighth Property Inc	$ 62,693
Borealis Retail Midtown Plaza Inc	58,918
Boardwalk Reit Properties Holdings Ltd	48,268
Westfair Properties Ltd	46,788
Saskatoon Airport Authority	28,688
2055190 Ontario Ltd	27,944
959630 Alberta Inc	27,879
Preston Crossing Properties Inc	27,775
101042414 Saskatchewan Ltd	25,479
CNH Canada Ltd	23,931
First Line Properties Ltd	20,063
Saskatoon Co-operative Association Ltd	18,685



Economic Highlights (continued)

Building Permits Statistics for 2007 vs 2006

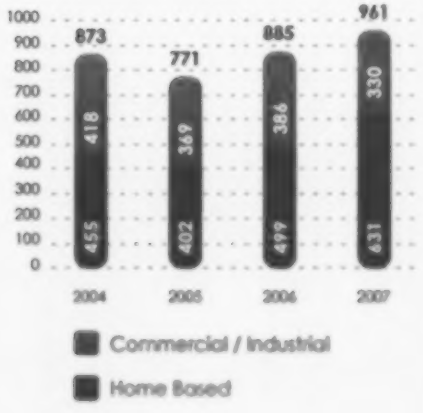
	Number of Permits			Construction Value ($million)		
Category	Dec 31/07	Dec 31/06	Change %	Dec 31/07	Dec 31/06	Change %
Residential	**2565**	1902	34.9%	**$ 125.10**	$ 82.60	51.5%
Apartments and Housing Projects	**270**	118	128.8%	**$ 98.40**	$ 35.70	175.6%
Commercial	**299**	251	19.1%	**$ 81.00**	$ 73.00	11.0%
Industrial	**146**	143	2.1%	**$ 63.50**	$ 42.90	48.0%
Institutional and Assembly	**75**	84	-10.7%	**$ 82.00**	$ 87.10	-5.9%
Other	**317**	211	50.2%	**$ 99.40**	$ 2.10	4633.3%
Total	**3672**	2709	35.5%	**$ 549.40**	$ 323.40	69.9%

Summary of Major Projects Approved in 2007

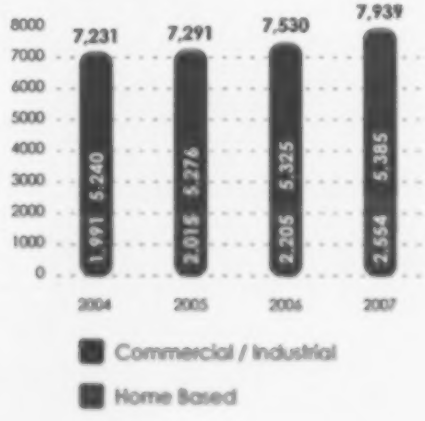
(in millions of dollars)

Intervac (U of S Research Lab)	$ 94.5	(included in "Other" above)
Shaw Centre (City of Saskatoon)	$ 34.4	(included in "Institutional and Assembly" above)
Maple Leaf Foods	$ 17.8	(included in "Industrial" above)
New Condo (Kingswood Manor)	$ 12.8	(included in "Apartments and Housing Projects" above)
Conversion to Condo (2nd Ave Lofts)	$ 12.5	(included in "Apartments and Housing Projects" above)

New Licensed Businesses

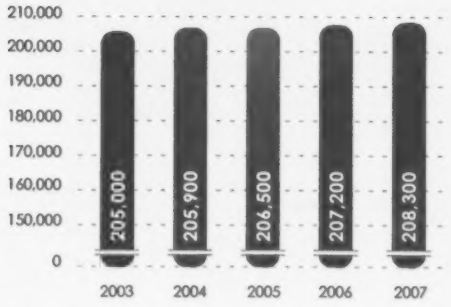


Total Licensed Businesses

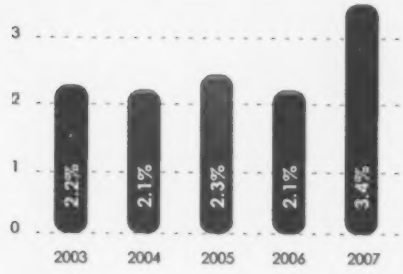


Key Statistics

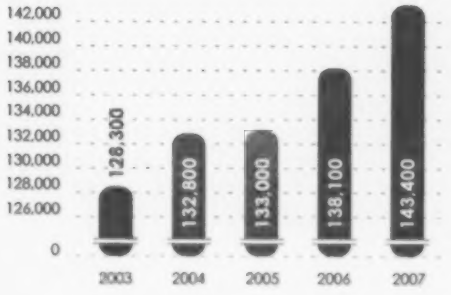
Population
(as at December 31st)



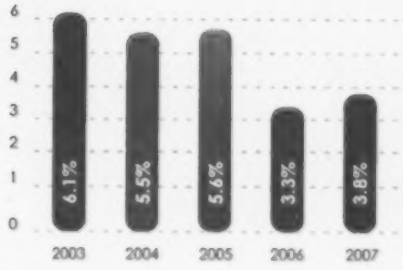
Average Annual Consumer Price Index



Labour Force
(for month of December)

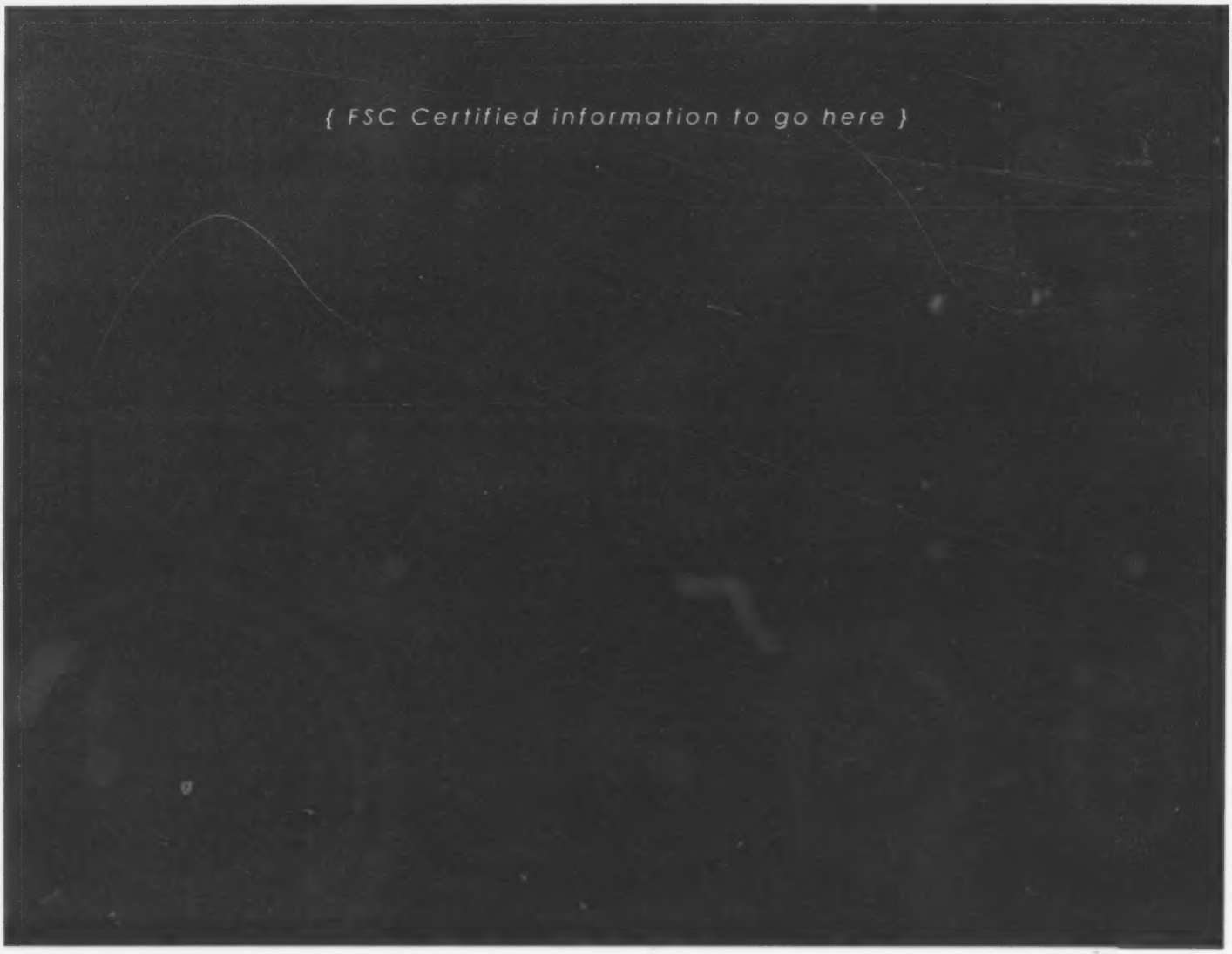


Unemployment
(for month of December)



Municipal Budgeted Staff Years
Including Boards and Commissions - excluding Library

Mill Rate Increase



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